The Financial Times, December 4, 1975

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NEWS SUMMARY

GENERAL

13 train hostages escape in dark

Thirteen of the 72 hostages held by gunmen escaped into the darkness as the siege of the hijacked Dutch train entered its second night. They spilled from the rear carriage, fanning out over grassy fields.

Earlier, the gunmen — now believed to number seven—allowed an unarmed policeman to give them loudhailers. Theey also asked for a driver to replace one of the two men they killed when seizing the train. But the authorities did not comply.

Several children, including a two-month-old baby, were among the hostages. Although the gunmen have been identified as South Moluccans, the Dutch authorities claimed to be mystified over their demands and firmly ruled out an escape arrangement.

Bank raiders shoot prisoners'

In Paris, two gunmen holding about 30 hostages captive in a city centre bank told police that they were firing at their prisoners after being refused a ransom of more than Frs.10m. (£1¼m.).

Caretaker shot dead

26-year-old Roman Catholic caretaker was murdered by two men who burst into his Belfast flat while he wal watching television with a friend. They ordered him into his bedroom and shot him in the chest.

Egypt appeals to Security Council

Egypt asked for the Palestine Liberation Organisation to take part in urgent talks at the Security Council about Tuesday's Israeli air raids in Lebanon in which Beirut says 92 people were killed. Page 8

BBC man held in Iceland

Icelandic police arrested BBC correspondent Archie McPhee and charged him with entering the country illegally. Page 6

£100,000 raid in Hatton Garden

Five gunmen escaped with jewellery and watches worth £100,000 after blindfolding Hatton Garden diamond manager Mr. Jerry Sattin and his staff of six with adhesive tape.

£60m. sewers ruling by Lords

Water authorities in England and Wales were not justified in collecting an estimated £60m. for premises which are not connected with the sewers, the House of Lords ruled yesterday. The decision may mean that owners of premises which are connected to the sewers will next year face a 21 per cent. increase for services other than water supply. Back Page

Bomb trial jury hidden

The jury in the Preston bomb plot trial were taken to a secret hotel last night after failing for eight and a half hours to reach a verdict. Five men—three from Liverpool and two from Belfast—have pleaded not guilty to conspiracy to cause explosions. The trial to-day enters its 14th day.

Briefly . . .

Two young Swiss nationals who smuggled more than £100,000 of South African Krugerrands into Britain were each fined £5,000 and ordered to be deported.

Britain's potato stocks are only half what they were at this time last year. Christmas turkeys will be dearer and less plentiful. Page 31

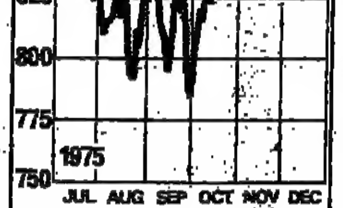
Soccer result: Portugal 1 Cyprus 1 in the European Nations Cup group one final.

BUSINESS

Equities falter as Wall St. falls 17.71

● EQUITIES began strongly, but fell back later, possibly affected by weakness in early dealings on Wall Street. The FT 30-share index, up 6.6 at 1 p.m., closed only a net 1.5 higher at 368.1. GILTS were quiet. Shorts closed with fractional gains. Mediums and longs were mostly unchanged.

● WALL STREET fell 17.71 to 825.49. The sharp drop which followed Monday's fall of 13.14 occurred during the relatively heavy trading (21m. shares) on renewed fears that the U.S. economy may be in trouble and New York's financial troubles may not yet be over.



● STERLING was firmer against the dollar and also gained against other major currencies. The pound rose 45 points to $2.0250: its weighted depreciation narrowed to 30.1 (30.2) per cent. The dollar's weighted fall was unchanged at 1.36 per cent.

● GOLD was unchanged at $139¼ in quiet trading.

● WEST GERMANY has overestimated its borrowing requirements for the current year by about £1bn. and is now able to return funds to the money market. Back Page

● MAN-MADE FIBRE output in the U.K. in October rose substantially to reach the highest monthly total since July 1974. Page 11

Cowley strike may end to-day

● PEACE FORMULA which may end the strike by seven men which has paralysed production of Austin and Morris cars was evolved yesterday by British Leyland management and TGWU shop stewards. It will be put to the men to-day. Back Page

● HONG KONG has ceased to grant preferential treatment to imports from Commonwealth countries, honouring an agreement made with the U.S. in May. Some Hong Kong products will now be allowed to enter American markets duty free.

● ADVISORY, Conciliation and Arbitration Service has been called in to find a solution to the case of the Ferrybridge Six, the power station workers dismissed for not joining unions in a closed shop. Page 15

● ILLINGWORTH MORRIS chairman Mr. Maurice Ostrer died yesterday. Men and Matters, Page 18

COMPANIES

● W. H. SMITH and Son (Holdings) pre-tax profits for the eight months ended October 4 rose to £2.69m. (£2.32m.) but the chairman expects only a marginal increase for the full year. Page 22 and Lex

● J. LYONS and Co. pre-tax profits for the 24 weeks ended September 12 fell to £2.81m. (£3.13m.). The Board expects the full year's earnings to be lower than last time because of the incidence of exceptional items. Page 21 and Lex

CHIEF PRICE CHANGES YESTERDAY

Prices in pence unless otherwise indicated)

RISES

Anderson Strathclyde	164	+ 5
Armitage Shanks	66	+ 10
Asscd. Dairies	208	+ 7
Beazer (C. H.)	119	+ 4
Bestobell	168	+ 10
Central Manuf.	48	+ 4
Elliott (B.)	54	+ 3
Fenner (J. H.)	121	+ 4
Foseco Minsep	176	+ 5
Hawker Siddeley	322	+ 4
Howard Mach.	46	+ 3
Johnson-Richards (H. R.) Tiles	195	+ 9
Lloyds Bank	243	+ 5
Man. Agency & Music	64	+ 4
McCorquodale	216	+ 8
Milford Docks	46	+ 6
Mucklow (A. J.)	145	+ 5
Pauls and Whites	76	+ 4
Standard and Chart.	480	+ 7
Tunnel Holdings "B"	186	+ 8
Valor	32	+ 5
Wigfall (H.)	167	+ 5
Anglo-Ecuador	64	+ 5
Woodside-Burmah	121	+ 7
Messina	275	+ 10
Ocean Resources	23	+ 3
Poseidon	170	+ 10
Union Crpn.	405	+ 5
Unisel	170	+ 6
Welkom	310	+ 10

FALLS

EMI	230	— 4
Land Secs.	162	— 4
Lyons (J.) "A"	133	— 18
Philips' Lamp	835	— 15
Rank Org. "A"	153	— 4
Slater Walker	20	— 2
Smith (W. H.) "A"	346	— 22
Pancontinental	895	— 20
Pot. Plat.	145	— 7
Ventersport	310	— 10

Government offer for bulk of Burmah North Sea assets

BY STEWART FLEMING

THE GOVERNMENT has offered to buy the bulk of Burmah Oil's substantial North Sea oil assets. It has agreed to extend for a further nine months the Bank of England's guarantees of $650m. of the company's borrowings.

This renewed Government support for Burmah, which had to ask the Government to rescue it from a severe financial crisis almost exactly a year ago, was announced by Mr. Anthony Wedgwood Benn, Secretary for Energy, yesterday.

The announcement followed weeks of negotiations with the company involving senior Ministers including Mr. Wedgwood Benn, Mr. Harold Lever, Mr. Edmund Dell and Lord Balogh, and a Cabinet level decision backing the proposals.

The announcement of the renewed support for Burmah provoked a stream of hostile questions for Mr. Wedgwood Benn in the Commons. MPs including Mr. Jo Grimond, former Liberal leader, wanted assurances that the extension of the Bank's guarantees of its dollar loans was not dependent upon Burmah surrendering its North Sea assets.

Free to sell

According to stockbrokers estimates the company's two major assets, its 20 per cent. stake in the Nin-an field and its 16 per cent. interest in the equally important Thistle find, could be worth around £130m.

There are doubts however, as to whether such a price would be paid in the present uncertainty about North Sea oil development.

In response to the questions, and the allegation that the Government was "putting a pistol" to Burmah's head, Mr. Wedgwood Benn's only reply was that the negotiations to purchase Burmah's North Sea oil assets was "in addition" to the arrangements relating to its dollar borrowings.

BURMAH'S TURNOVER IN 1974	£m.
Oil and gas	
U.K. and Eire	109
North America*	200
Rest of world	325
Other activities:	
Burmah Industrial Poducts	46
Burmah Engineering	13
Halfords	34
Burmah Oil Tankers	54
TOTAL	781

* For sale.

Burmah itself made it clear that it is free to sell its assets elsewhere. Mr. Benn's statement emphasised its offer to buy the whole or part of the North Sea interests will be "at a fair price to be negotiated on an arm's length basis."

It seems likely that negotiations will be conducted by Lord Kearton, recently appointed Chairman of the British National Oil Corporation.

BNOC is the vehicle for a State-run oil corporation and Burmah's assets, if the negotiations are successful, will be put into this operation.

One of the attractions of the overall proposals from the Government's point of view is the possibility of acquiring oil assets.

In view of the controversial sale to the Bank of England in January for £179m. of Burmah's 20 per cent. stake in BP — shares which are worth around £440m.—the new negotiations with the Government over its North Sea oil interests will clearly be closely scrutinised. Burmah said yesterday, however, that it did not expect to seek shareholders approval of any sale.

Parliament, Page 16
Buchan Well tests, Page 10

Burmah's shares rose 1p to 32p yesterday, but the financial implications of the statement by the Government are complex.

So far as the extension of the Bank of England guarantee of dollar borrowings is concerned such a move was being anticipated for without the extension Burmah would have been forced to sell its U.S. oil production activities in order to meet its liabilities.

It is in neither the Government's nor Burmah's interests that the company should be a forced seller probably at an uneconomic price, of assets which cost around $480m. two years ago.

Only last month Burmah

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Wilson faces angry MPs to-day on Rome deal

BY RICHARD EVANS, LOBBY CORRESPONDENT

THE PRIME MINISTER can expect virulent criticism of his tactics at the Rome summit conference of European Community leaders when he reports back to the Commons to-day.

Reactions to the conference among MPs of all parties, particularly the failure to gain the objective of a separate seat at the forthcoming North-South energy talks in Paris, was almost universally hostile.

Mr. Reginald Maudling, "shadow" Foreign Secretary, spoke of Mr. James Callaghan, the Foreign Secretary, having "egg on his face," and a Conservative back-bencher tabled a motion referring to "the absurd charade through which Mr. Wilson has led the British people."

On the Labour side, reactions varied from criticism among pro-Marketeers of Mr. Wilson and Mr. Callaghan for squandering EEC goodwill, to bitter resentment among anti-Marketeers at what they saw as the Government's "capitulation" to pressures from West Germany and France.

Very few MPs seemed willing to accept Mr. Wilson's view that the compromise reached was not a climb-down. Even those moderate Labour back-benchers who argued that Mr. Wilson and Mr. Callaghan had achieved the right to speak from the ranks of the EEC delegation, which was a satisfactory compromise, argued that the Government had overplayed its hand badly by going so hard for a separate seat at Paris.

French "relieved" at compromise, Page 6
Parliament, Page 16
Feature on EEC energy policy Page 18

A typical Labour reaction came from a back-bencher who commented: "The only justification for using nationalism to play power politics is that you win in the end. Mr. Wilson and Mr. Callaghan clearly lost."

Conservative leaders fear that Mr. Wilson and Mr. Callaghan may have done long-term damage to European unity and to Britain's relationship with its Common Market partners by being so stubborn over North Sea oil.

In the Commons, Mr. Maudling said he doubted whether any Minister had ever emerged from an international conference with more egg on his face than Mr. Callaghan did at Rome.

"He did say, after all, that no possible formula could be produced that would permit Britain to be represented by the Community at the forthcoming conference. Yet this is precisely what has happened, and he must accept a certain share of blame if, having started off to be the modern Palmerston, he has finished up the Grand Old Duke of York," said Mr. Maudling.

Mr. Roy Hattersley, Minister of State at the Foreign Office, parried Opposition demands for an immediate statement on the Rome conference. He claimed that Britain's interests as an energy producer were fully safeguarded by the arrangements agreed. Mr. Wilson would give a full version of the talks to the Commons to-morrow, he added.

Foot faces Docks Bill fight

BY JOHN ELLIOTT, LABOUR EDITOR

MR. MICHAEL FOOT, Secretary for Employment faces what could turn out to be the fiercest political battle of his stormy ministerial career following publication yesterday of his Dock Work Regulation Bill which will run into strong opposition both within and outside Parliament during the coming months.

Under the Bill, which has been planned for more than a year, dockers will have a prior right to work on their existing favourable terms and conditions outside immediate port areas. They will have rights to almost all cargo handling operations within a five-mile "cargo handling zone" of docks, rivers, and other major waterways.

Continued commercial opposition to the proposals has led to only a few fairly minor changes to the plan, which was originally floated by Mr. Foot earlier this year.

This means that under the Bill, which could be fully enacted by the end of the next year, dockers—or other workers who could qualify as dockers—would have a right to handle goods intended for transport on ships or coming from ships. This would include storage, warehousing, sorting, weighing, movement and lighterage of these goods, as well as their checking and recording.

Dockers have been pressing for this sort of extension of their rights for some time and have staged various outbreaks of industrial action — one of which led to the jailing of the Pentonville dockers under the Industrial Relations Act.

Jealously

The legislation is therefore being introduced at the behest of the Transport and General Workers Union whose leaders, along with some Ministers, fear the country might face a national dock strike if no moves had been made.

But some other unions—including the National Union of Railwaymen—are opposed to this extension of the TGWU's domain.

In addition, there is also a serious problem within the TGWU which its general secretary, Mr. Jack Jones, has so far been unable to resolve.

This is the jealousy of the union's lorry drivers and warehouse workers who fear based on experience in recent years—that dockers will claim the right to oust them from their present work within the five-mile zone—which would provide a 10-mile corridor along major rivers such as the Thames.

The main opposition however comes from commercial interests

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ON OTHER PAGES

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Worker democracy panel named

By John Elliott, Labour Editor

A DISTINGUISHED panel of representatives of commerce and both sides of industry was yesterday appointed by the Government to advise if industrial democracy in the private sector should be based on the TUC's plan for union-based worker directors.

After a three-month quest, Mr. Peter Shore, Trade Secretary, yesterday came up with an impressive list of names for the members of the committee of inquiry which will do this work. They included Sir Alan Bullock of Oxford University who will be the chairman, Sir Jack Callard, former ICI chairman, and Mr. Barrie Heath, chairman of Guest Keen and Nettlefolds.

Ranged against them will be at least two devotees of the TUC's plan—Mr. Jack Jones of the Transport Workers and Mr. David Lea, head of the TUC's economic department—who may eventually have to decide whether to compromise on the TUC's basic line that worker directors should be union-based and should take up half the seats of a Supervisory Board in a two-tier company structure.

There has been constant behind-the-scenes battles involving the TUC and the Government during the past year over whether the inquiry is expected merely to report on how worker directors should be introduced to fit in with U.K. company law and industrial relations structures.

This is the way the TUC would prefer it but, judging by the care the Government and Sir Alan have taken in producing their list of names, it seems that the inquiry may well take an initially more fundamental look and consider whether there might be other ways of extending industrial democracy.

Sitting alongside Mr. Jones and Mr. Lea will be Professor K. W. Wedderburn, of London University, a leading labour and company lawyer who has come to be identified with the TUC's policy, and Mr. Clive Jenkins of ASTMS who has yet to show his hand.

With Sir Jack Callard and Mr. Heath on the company side of the inquiry there will also be Mr. Norman Biggs, chairman of Williams and Glyn's Bank.

Mr. Nicholas Wilson, a City solicitor who is also a member of both the Bank of England's capital markets committee and the Department of Trades' companies' consultative group, has also been appointed along with Mr. John Methven, Director General of Fair Trading who will be representing independent and consumer interests. Professor George Bain of Warwick University, a labour relations expert, completes the list.

Move to end pay beds row likely

BY STEWART DALBY & LORELIES OLSLAGER

POSSIBLE moves to end the present deadlock between hospital consultants and the Government over the phasing-out of pay beds from National Health hospitals are under consideration following a meeting between Mr. Harold Wilson, the Prime Minister, and doctors' leaders yesterday.

An end to the consultants' dispute would bring some relief to Britain's hospitals. But it would still not avert the danger of further closures and widespread disruption because of the industrial action by junior doctors over overtime pay—an issue that apparently was not raised yesterday.

The Department of Health and Social Security warned last night that consultants and general practitioners were coming under increasing strain in trying to cover for the junior doctors.

Only emergency services were possible in many parts of the country, and as fatigue of staff increased, these would become difficult to maintain. In London, there were indications that some consultants might refuse to cover for junior doctors from the week-end.

After yesterday's meeting at No. 10 Downing Street on the consultants' dispute, a joint statement said both sides felt they had had "valuable discussions" and that the Government would shortly be in touch with the profession again.

Indications

Dr. Derek Stevenson, secretary of the British Medical Association, which is organising industrial action by the consultants, said he hoped for a communication from the Government "within 24 hours in view of the grave situation in the Health Service."

Lord Goodman, former legal adviser to the BMA, who has also carried out numerous missions for the Prime Minister in the past, attended the Downing Street meeting.

His future role was not clear last night, but there was speculation he might act as a generator of ideas as well as go-between for the two sides.

The dispute with the consultants centres on the doctors' demand that the elimination of pay beds from NHS hospitals should be referred to the proposed Royal Commission on the health service, while the Government intends to introduce legislation during this session of Parliament.

Possible compromise moves by the Government could involve delaying any bill until late in the session; meanwhile promising a full public debate.

This would meet strong opposition from trade unions representing nurses and ancillary hospital workers who have been pressing for legislation as soon as possible.

Yesterday, members of the National Union of Public Employees in Birmingham retaliated against consultants who treat emergency cases only by "blacking" all 158 pay beds in the city's 18 hospitals.

Meanwhile, hospitals throughout the country tried to keep up emergency services yesterday. Few incidents of patients in dire need not receiving treatment came to light.

A number of doctors and health authority officials warned, however, that there could be a widespread breakdown in even emergency "cover" by the week-end unless the various grievances are settled. London and the North-West continue to be the worst hit.

Most hospitals have had severely to curtail admissions of non-urgent in-patients. Many have been forced to reduce the range of emergency and accident services they can provide.

In the North-west Thames health area, 14 hospitals including Edgware and Barnet are no longer able to offer a full round-the-clock emergency service.

In London as a whole, 24 hospitals are, with variations, operating reduced services. These include major hospitals like Charing Cross, Westminster, St. Mary's Praed Street and St Mary's Harrow Road. According to the Health Ministry, the accident and emergency departments of St. Bartholomew's and King's are threatened.

In East Anglia, six hospitals, including Wisbech, Addenbrooks (Cambridge) and Cromer, are providing limited emergency services. Two hospitals in the North, one at Preston, is working below par and one hospital in the Liverpool area is providing a 9 a.m. to 5 p.m. service only.

At Hillingdon, Middlesex, a surgeon said he was obliged to carry out a vital operation with an understrength team. He had only four people helping him, including a trainee nurse, instead of a group of six.

Mr. Victor Flintham, personnel officer for Brent and Harrow health authority, said: "If the difficulties continue as they have since last Friday, I think services will break down completely by Monday."

The London Ambulance Service said that, so far, it has had no real emergency cases being refused entry to a hospital, but considerable dislocation, with longer distances being travelled, has resulted from the doctors' actions.

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LOMBARD

Recovering our lost sovereignty

BY C. GORDON TETHER

"THE U.K. needs help from the Community and it would not be to Britain's advantage to torpedo the joint Community position." This was the highlight of the contribution which Germany's Chancellor Schmidt made to the EEC Summit discussions which led to a British climb-down on the question of whether we should have a separate seat at the forthcoming North-South conference on energy, raw materials, development and finance.

It is appropriate to ring it round. For the fact that this threat was made and was so effective in bringing Britain to the Common Market heel demonstrates just how far economic mismanagement has eroded the country's independence and how essential it is that we should now take whatever measures are necessary to regain control of our own affairs. And not least because, if the gloomy picture of our economic prospects painted by recent projections is anything to go by, we have nothing to lose but the certainty of having to endure many more years of abject misery.

No disguising

Great efforts are, of course, being made to gloss over the significance of the defeat Britain suffered at the EEC Summit by pointing out that she will have the right "to speak from the ranks of the EEC delegation" at the North-South conference. Yet there is no disguising the fact that the outcome of this encounter means that the Government's alleged determination to safeguard British sovereignty within the EEC—about which so much was said during the referendum campaign—has failed to surmount its first major hurdle.

For if this country is to be denied the right to handle its own brief at a conference which is of such immense potential importance and which is dealing with issues wherein Britain's interests are sometimes fundamentally different from those of the other members, then its sovereignty has already been seriously impaired through involvement in the EEC. And there is no difficulty in seeing that the comparative ease with which the other members of the Community "persuaded" Britain to toe the line will encourage them to conclude that they can count on achieving similar successes with the same tactics whenever this country is displaying a tendency to assume a dissenting role on future occasions.

No prizes are to be offered, needless to say, for guessing why Herr Schmidt was able to discourage the Prime Minister from pursuing the "separate seat" demand by stressing that Britain's need for EEC help was going to be such that it would be very much against her interests to fall out with the other members. Our economy has been reduced to such a prostrate condition by years of gross mismanagement that it looks as though we shall stand in need—on the assumption that present policies are continued—of regular and substantial assistance from the outside world for some considerable time to keep ourselves afloat in the external payments field. And borrowers who want to operate on this kind of scale are obviously in no position to be choosers.

And it is not only the Common Market countries that are likely to be found exploiting this situation to discourage us from taking any steps—including measures to help extricate the country from its present desperate plight—that are calculated to tread on their toes. This is apparent from the veritable fusillade of warning shots Washington has sent across Britain's bows to dissuade the Government from resorting to import controls

If it were clear that allowing ourselves to be pushed around in this fashion was going to yield benefits that would put the U.K. back on its feet speedily and solidly and bring the erosion of its independence to an end in the process, there might be something to be said for putting up with it for a while. But by denying the country the relief that import controls and other "siege economy" measures could bring, it will merely serve to prolong the agony.

And what the agony is going to mean can be gauged from the fact that, while many other advanced countries are expecting to see their economic skies brightening up considerably during the next year or so, the outlook for Britain still looks decidedly grim. Indeed, in its latest quarterly review, the National Institute of Economic and Social Research described our prospects as "the most depressing since the review was launched in 1959."

This being so, it might seem that there is a great deal to be said—on economic grounds as well as in relation to the need to preserve our sovereignty—for a major recasting of economic strategy even if this means causing some temporary offence to countries that are not prepared to treat Britain in an appropriately sympathetic manner.

SALEROOM — BY ANTONY THORNCROFT

Record £230,000 for Lautrec

THE BETTER international demand for Impressionist pictures, revealed at Tuesday's Christie's sale, was well maintained at Sotheby's yesterday, when the 77 lots sold for £1,937,100. Just over a quarter of the pictures failed to find buyers, a fairly low percentage for a sale of this quality.

The feature of the day was the record auction price for a

Tennis, Page 23

Toulouse-Lautrec. It went for £230,000 to an overseas bidder, and will probably leave the country. The painting was entitled *Fille à l'Accroche-Coeur* (The girl with the kiss curl), and is an 1889 portrait of one of the dancers from the Moulin de la Galette. The previous best for a Lautrec was the £205,000 bid in April 1974 for *Monsieur Paul Viaud*.

The picture exceeded its presale forecast, as did *Jeune Fille au Bouquet de Tulipes*, an attractive Renoir painted in 1878 which sold for £202,000 to the Fisher Gallery of London. This is a high price for a Renoir, and well above the £140,000-£180,000 estimate.

A Degas, *La Promenade a Cheval*, was bought in at £65,000, but Pissarro's *Effet de Niege a l'Hermitage: Pontoise* sold at this price to the London dealer, Ellis-Jones. He also bought Degas' *Danseuse rajustant son Chausson* for £60,000. The Paris based Japanese dealer Tamanaga gave £55,000 for *Coin herbeux* by Van Gogh, and £38,000 for Bonnard's *La Corbeille de Fruits*.

Other good prices were the £46,000 for Paul Delvaux's *Le Jardin nocturne*; £43,000 for a Pissarro view of Kew Gardens; £40,000 for a Henri Rousseau, *La Promenade aux Buttes-Chaumont*: and £38,000 for Marquet's *Rue de Village*.

In the afternoon drawings and watercolours sold for £370,930. This was a disappointing sale with most of the top lots unsold. For example a Paul Klee watercolour on a handkerchief was bought in at £41,000. The top prices were the £12,000 for a Braque, and £11,500 for a Magritte.

Christies' held a sale of prints yesterday which totalled £75,022. As usual the Old Masters did much better than the modern and contemporary works. The highest price was £9,450 for a woodcut by Urs Graf, composed about 1510 and showing the Virgin and St. John before Christ on the Cross. It was acquired by the New York dealer David Tunick.

A detail from Fille a l'accroche coeur.

RACING — BY DOMINIC WIGAN

Two winners for Barons

DAVID BARONS, who gained his 500th jumping success on Tuesday when Vespucci won easily at Newton Abbot, looks likely to add to his impressive total with two more winners at Taunton to-day.

Here I expect to see the popular West Country trainer score with *Junior Lead* and *Medway Melody*.

That tough handicapper Junior Lead runs in the Kingston-St.-Mary Chase (2.30). He ended 1974-75 with a four-length win over Lucky Edgar at Windsor, where he finished lame, and has been running well recently without making the winner's enclosure.

On his most recent appearance, Barons' Counsel gelding kept on well to finish fourth behind Hard Cash, Something To Hide and Ballybright at Towcester, where the fast ground was not in his favour.

With softer going and a slightly stiffer trip to-day, I hope to see Junior Lead reverse the placings with Ballybright, who is best suited by firm ground.

Medway Melody, who also has been performing creditably, without adding to his two successes early last season, is not harshly

TAUNTON
1.00—Number Engaged
2.00—Sillin's Pride***
2.30—Junior Lead
3.30—Medway Melody

AYR
12.45—Napazi**
1.15—Hugo Duncan
1.45—Kirwaugh*
2.15—Greystoke Rambler
2.45—Gallant Boy
3.15—King Ross

treated with 10 st 2 lbs in the Knight Frank and Rutley Opportunity Hurdle Qualifier (3.30) and is taken to gain an overdue success. Lazy Boy may follow *him home*.

A year ago, Hit Parade quickened smoothly on the run in to forge clear of his 13 opponents in the Chard Selling Hurdle, and it will be interesting to see if he proves capable of matching that display in Division 2 of this event (2.0) to-day.

My own preference is for *Sillin's Pride*, a fast-finishing fourth of nine behind Wild Pirate in a division of Windsor's Thames Novices' Hurdle. Sillin's Pride appeals as a sound bet.

Gordon Richards, whose highly rated novice Wotdyknow caused something of a shock when failing to Bannow Bay, 13-8 on at Ayr yesterday, fields another strong team on the Scottish course this afternoon.

Napazi looks capable of getting Richards off on a winning note in the Old Toll Opportunity Hurdle 12.45); while two other likely winners for the Penrith trainer are *Kirwaugh*, among the runners for the Skeldon Hurdle (1.45), and *Greystoke Rambler*, who goes for the Marchburn Novices' Chase half-an-hour later.

TV/Radio

† Indicates programme in black and white.

BBC 1

9.41 a.m. For Schools, Colleges. 12.15 p.m. On the Move. 12.25 Fo a Fe. 12.55 News. 1.00 Pebble Mill. 1.45 Ragtime. 2.02 For Schools, Colleges. 3.58 Regional News (except London). 4.00 Play School. 4.25 Barbapapa. 4.30 Jackanory. 4.45 Blue Peter. 5.10 John Craven's Newsround. 5.15 Sally. 5.40 Magic Roundabout.
5.45 News.
6.00 Nationwide.
6.45 To-morrow's World.
7.10 Top of the Pops.
7.45 Ken Dodd's World of Laughter.
8.20 Mastermind.
9.00 News.
9.25 State of Emergency.
10.15 The Ghost Hunters.
11.05 To-night.
11.40 Regional News.

All Regions as BBC 1 except at the following times:—

Wales—5.15-5.40 p.m. Bilidowcar. 6.00-6.45 Wales To-day. 6.45-7.10 Heddiw. 11.40 News for Wales.

Scotland—9.41-10.01 a.m. For Schools in Scotland. 6.00-6.45 p.m. Reporting Scotland. 11.40 Scottish News Summary.

Northern Ireland—2.40-3.00 p.m. Ulster in Focus (Cuchalainn). 3.58-4.00 Northern Ireland News. 6.00-6.45 Scene Around Six. 11.40 Northern Ireland News Headlines.

England—6.00-6.45 p.m. Look North (from Leeds, Manchester, Newcastle); Midlands To-day (from Birmingham); Look East (from Norwich); Points West (from Bristol); South To-day (from Southampton); Spotlight South-West (from Plymouth).

BBC 2

11.00 a.m. Play School.
6.15 p.m. Open University.
6.40 Avventura.
7.05 Open University.
7.30 Newsday.
8.10 André Previn's Music Night.
9.00 Spike Milligan.
†9.30 Midweek Cinema: "It's A Wonderful Life," starring James Stewart.
11.35 Newsnight.
11.50 Closedown: David Davis reads "Town and Country" by Gordon Symes.

LONDON

9.30 a.m. Schools Programmes. 12.00 Animal Kwackers. 12.10 p.m. Pipkins. 12.30 Jane Austen and Her World. 1.00 First Report: News, FT index. 1.20 Lunch-time To-day. 1.30 Crown Court. 2.00 Good Afternoon. 2.30 Couples. 3.00 Justice. 3.55 General Hospital. †4.25 Children's Film Matinee: Bud Abbott, Lou Costello in "Hold That Ghost."
5.50 News.
6.00 To-day.
6.35 Crossroads.
7.00 The Six Million Dollar Man.
8.00 This Week.
8.30 Ordeal.
9.55 The Red and the Blue.
10.00 News.
10.30 Orson Welles Great Mysteries.
11.00 Take Two.
12.00 What the Papers Say.
12.15 a.m. Sin '75.

All ITV Regions as London except at the following times.

ANGLIA

1.25 p.m. Anglia News. 2.00 Women Only. 4.25 Romper Room. 4.55 Fantastic Voyage. 5.25 Supersonic. 6.00 About Anglia. 6.20 Arena. 8.30 Thursday Night Film: "Guess Who's Sleeping In My Bed," starring Barbara Eden. 10.30 The Making of a City—Milton Keynes. 11.45 (approximately) The Living Word.

ATV MIDLANDS

1.20 p.m. ATV Newsdesk. 4.25 Feature Film: "Abbott and Costello Go To Mars." 6.00 ATV To-day. 7.00 Space 1999. 8.30 Doctor On The Go. 9.00 Griff. †10.30 Feature Film: "Two Thousand Women," starring Phyllis Calvert and Flora Robson.

BORDER

†1.20 p.m. Border News. 2.00 Women Only. 4.25 Lassie. 4.50 The Lone Ranger. 5.20 Supersonic. 6.00 Border News and Lookaround. 8.30 "The Day the Earth Moved," starring Jackie Cooper. 10.30 Boney. 11.25 Arts Bazaar. †11.55 Border News Summary.

CHANNEL

2.00 p.m. Jersey election for Deputies: Hustings. 1.20 Channel Lunchtime News and What's On Where? 4.25 Skippy. 4.55 The Woody Woodpecker Show. 5.20 University Challenge. 6.00 Channel News. 6.10 The Osmonds. 8.30 TV Movie: "Revenge." 9.50 Vision USA. 10.30 The Thrillseekers. 11.00 Chopper One. 11.30 News and Weather in French.

GRAMPIAN

1.20 p.m. Grampian News Headlines. 2.00 Women Only. 4.25 Tarzan. 5.20 Supersonic. 6.00 Grampian Today. 7.00 Space 1999. 8.30 TV Movie: "Dying Room Only." 10.30 Sportscall. 11.10 His Face Is Familiar—What's He Done? 11.40 Evening Prayers.

GRANADA

1.20 p.m. This Is Your Right. 4.25 The New Land. 5.15 Dodo. 5.20 Crossroads. 6.00 Granada Reports. 6.35 Mid-week Movie: "The Day the Earth Moved," starring Jackie Cooper. 8.30 Not On Your Nellie. 9.00 Police Story. 10.30 Reports Action. 11.00 What The Papers Say. 11.20 Orson Welles Great Mysteries. 11.45 The Challenging Sea.

HTV

1.20 p.m. Report West Headlines. 1.25 Report Wales Headlines. 2.00 Women Only. 4.25 Tarzan. 5.20 Help! 5.25 Crossroads. 6.01 Report West. 6.18 Report Wales. 6.35 The Best in the West. 8.30 The Thursday Movie: "Death Cruise." 10.30 Tony Benn—25 Years On. †11.15 The Late Film: "Riot In Cell Block 11," starring Neville Brand.

HTV Cymru/Wales—As HTV General Service except: 1.20-1.25 p.m. Penawdau Newyddion y Dydd. 4.25-4.50 Sie Yo Y Byd . . . ? 4.50-5.20 King Kong. 6.01-6.18 Y Dydd. 6.35-7.05 Sports Arena.

HTV West—As HTV General Service except: 1.20-1.30 p.m. Report West Headlines. 6.18-6.35 Sport West.

SCOTTISH

†1.25 p.m. Road and Weather Report. 2.00 Housecall. 4.25 The Flintstones. 4.50 The Adventures In Rainbow Country. 5.20 Babar. 5.25 Crossroads. 6.00 Scotland Today. 6.30 World Worth Keeping. 7.00 Space 1999. 8.30 "The Day The Earth Moved," starring Jackie Cooper. 10.30 Fit To Last. 11.00 Late Call. 11.05 Dilemma.

SOUTHERN

1.20 p.m. Southern News. 2.00 Women Only. 4.25 The New Land. 5.20 Sinbad Junior. 5.25 Crossroads. 6.00 Day By Day. 6.35 Survival. 8.30 The Thursday Film: "Sullivan's Empire." 10.30 Music In Camera. 11.10 Griff. 12.10 a.m. Southern News Extra.

TYNE TEES

9.25 a.m. Starting Point. 1.20 p.m. Lunchtime News and Lookaround. 2.00 Women Only. 4.25 Lassie. 4.50 The Partridge Family. 5.20 Supersonic. 6.00 Today at Six. 8.30 "The Day the Earth Moved." 9.55 Cartoon Time. 10.30 Maude. 11.30 The Northerners. 11.40 Epilogue.

ULSTER

1.20 p.m. Ulster News Headlines followed by Lunchtime. 4.23 Ulster News Headlines. 4.25 Lost In Space. 5.20 Supersonic. 6.00 UTV Reports. 7.00 Space 1999. 8.30 Thursday Movie: "That Kind of Woman," starring Sophia Loren and George Sanders. 10.30 Let's Play Bridge. 11.00 What . . . is it all about.

WESTWARD

12.25 p.m. Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 4.25 Skippy. 4.55 The Woody Woodpecker Show. 5.20 University Challenge. 6.00 Westward Diary. 8.30 TV Movie: "Revenge." 9.50 Vision U.S.A. 10.30 Westward Report. 11.00 Chopper One. 11.30 Westward Late News. 11.33 West Country Job Finder. 11.38 Faith for Life.

YORKSHIRE

1.20 p.m. Calendar News. 4.25 Lassie. 4.50 The Partridge Family. 5.20 Supersonic. 6.00 Calendar. 8.30 "The Day The Earth Moved," starring Jackie Cooper. 9.55 Bugs Bunny. 10.30 Emmerdale Farm. 11.25 Arts Bazaar.

RADIO 1 — 247m

(S) Stereophonic broadcast.

6.00 a.m. As Radio 2. 7.00 Noel Edmonds. 9.00 Tony Blackburn. 12.00 Johnnie Walker including the new Top 20 LPs, and 12.30 p.m. Newsbeat. 2.02 David Hamilton (S) (also on VHF). 4.31 It's D.L.T. OK! 5.45 Newsbeat. 6.02 Sam Costa (S) (joins Radio 2). 11.02 John Peel (S) (also on VHF). 12.00-12.05 a.m. As Radio 2.

RADIO 2 — 1,500m and VHF

6.00 a.m. News Summary. 6.02 Simon Bates (S) including 6.15 Pause for Thought. 7.02 Terry Wogan (S) including 8.27 Racing Bulletin and 8.45 Pause for Thought. 9.02 Barry Carpenter's Open House (S) including 10.30 Waggoners' Walk. 11.30 Jean Challis (S). 1.55 p.m. Good Listening (VHF). 2.02 David Hamilton (S) as Radio 1, but including on 1,500m only (also 202m Scotland) 2.45 and 3.45 Sports Desk. 4.30 Waggoners' Walk. 4.45 Sports Desk. 4.47 Sam Costa (S) including 5.45 Sports Desk. 6.45 Sports Desk. 7.02 Pop Score. 7.30 Folk '75 (S). 8.02 Folkweave (S). 9.02 Wally Whyton's Country Club (S). 11.02 Sports Desk (1,500m only, also 202m Scotland, VHF joins Radio 1). 11.05 Don Durbridge (1,500m only, also 202m Scotland, VHF joins Radio 1) with The Late Show. 12.00 News.

RADIO 3 — 464m, Stereo & VHF

7.00 a.m. News. 7.05 Overture (S). 8.00 News. 8.05 Morning Concert (S). 9.00 News. 9.05 This Week's Composer: Chopin (S). 9.40 Composer's Portrait: William Alwyn, born 1905, talks about himself and his music (S). 10.55 The Barrel Organ. 11.25 Gabrieli String Quartet, part 1: Britten, Mozart (S). 12.15 p.m. Interval Reading. 12.20 Gabrieli String Quartet, part 2: Ravel. 1.00 News. 1.05 Bradford Midday Concert. 2.00 BBC Northern Symphony Orchestra, part 1: Dvorak, Mendelssohn (S). 2.45 Interval Reading. 2.55 BBC Northern Symphony Orchestra, part 2: Shostakovich. 3.35 Cello and Piano Recital, part 1 (S). 4.10 In Short (talk by John Carewe). 4.15 Recital, part 2 (S). 4.50 Parisian Church Music before 1300 (S). 5.25 Pied Piper (S). 5.45 Homeward Bound (S). 6.05 News. 6.10 Homeward Bound (continued). 6.30 Lifelines: The Wider World. 7.30 Halle Orchestra, part 1: Mozart (S). 7.55 A Cosa Nostra Western (short story). 8.10 Concert, part 2: Shostakovich (S). 9.30 Rilke: Poet of Feeling. 10.00 "Das Marienleben," song recital (S). 10.25 Ida Haendel, violin recital (S). 11.25-11.30 News.

RADIO 4

434m, 330m, 285m and VHF
† Medium Wave only

6.20 a.m. News. 6.22 Farming Today. 6.40 Prayer for the Day. 6.45 Today including 6.50 VHF Regional News. 6.55 Weather, programme news. 7.00 News and more of Today: 7.27 Sportsdesk, 7.35 Today's Papers, 7.45 Thought for the Day. 7.50 VHF Regional News. 7.55 Weather, programme news. 8.00 News and more of Today: 8.27 Sportsdesk and 8.35 Today's Papers. 8.45 Yesterday In Parliament. 9.00 News. †9.05 These You Have Loved. †10.00 News. †10.05 From Our Own Correspondent. 10.30 Daily Service. †10.45 Morning Story. †11.00 News. †11.05 If You Think You've Got Problems! †11.50 Sounds Puzzling. 12.00 News. 12.02 p.m. You and Yours. 12.27 My Word! (S). †12.55 Weather, programme news VHF (except London and S.E.) Regional News. 1.00 The World At One. 1.30 The Archers. 1.45 Woman's Hour (from 2.00). 2.45 Listen With Mother. 3.00 News. 3.05 Afternoon Theatre (S). 3.50 Jack De Manio Precisely including 4.00-4.05 News. 4.35 Story Time. 5.00 PM Reports. †5.50 Financial Report VHF Regional News. 5.55 Weather: programme news. 6.00 News. 6.15 Just A Minute. 6.45 The Archers. 7.00 News Desk. 7.30 Any Answers? 8.00 Richard Dimbleby (1913-1965). 8.45 Analysis: The Way of the Left. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.45 A Book At Bedtime. 11.00 The Financial World Tonight. 11.15 Today In Parliament. 11.30 News.

For Schools (VHF only) 9.05 a.m.-12.00 and 2.00-3.00 p.m.

BBC Radio London

206m and 94.9 VHF

6.00 a.m. As Radio 2. 6.30 Rush Hour. 9.00 Downtown. 11.03 In Town. 12.03 p.m. Call In including 12.45 London News Desk. 2.03 206 Showcase. 4.03 Sound Out. 4.32 Home Run including 5.00 and 6.00 London News Desk. 7.00 In Town. 8.00 Rail. 8.30 In Concert. 10.03 Robbie Vincent's Late Night London. 12.00-12.05 a.m. As Radio 2.

London Broadcasting

261m and 97.3 VHF

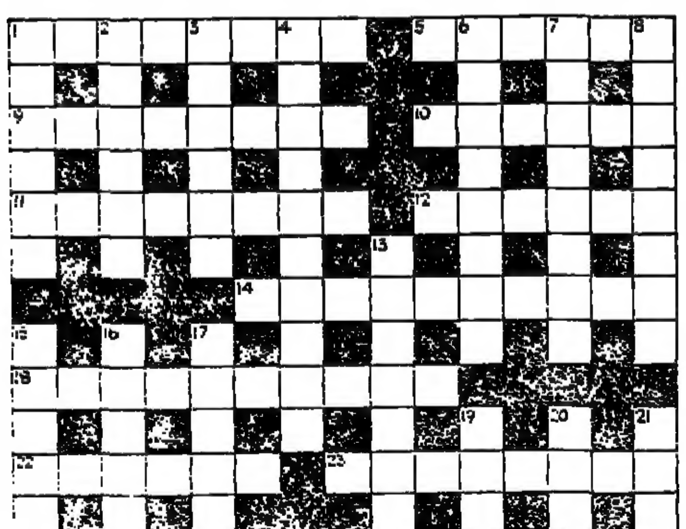
5.00 a.m. Morning Music. 6.00 "AM" breakfast-time show. 10.00 George Gale—talking to London. 12.00 Newswatch. 2.00 p.m. Newswatch—second edition. 5.00 Newsbreak. 7.30 Music in Stereo. 9.00 Robin Houston's Nightline. 1.00-4.30 a.m. Nightwatch (news every half-hour).

Capital Radio

194m and 95.8 VHF

6.30 a.m. The Breakfast Show. 9.00 Michael Aspel presents music, guests, competitions and "Swapshop." 12.00 Cash on Delivery. 3.00 p.m. Roger Scott. 7.00 London Today. 7.30 Open Line. 9.00 Your Mother Wouldn't Like It (Nicky Horne's rock show). 11.00 Tony Myatt and his late night show. 2.00 a.m. Night Flight.

F.T. CROSSWORD PUZZLE No. 2,947



ACROSS

1 Is the African hotel unsafe for sleeping babies? (8)
5 Headache sets Margaret on edge (6)
9 See it is all right in here for the Indian tribe (8)
10 Bodies of employees in the county (6)
11 A dire turn for the trespasser (8)
12 Not enjoyed by mad dogs and Englishmen (6)
14 In consequence I'm left with split cane (10)
18 The simple way of graciousness (4, 6)
22 The way up is clear for leading performers about one (6)
23 A saucy river gives us an opening (8)
24 Outhouse constructed by a worker in The Lion (4-2)
25 Errors made by a girl about the receipts (8)
26 The author is found in a stupor (6)
27 "The quality of mercy is not ——" (M.O.V.) (8)

DOWN

1 Jack gets up in alarm (6)
2 Establishes before the courts (6)
3 Although a learner gets us to the dome (6)
4 Promotion for the incumbent of Bray (10)
6 Bites like acid (4, 4)
7 Saying no to employment with the arbiter (8)
8 Communications from a wise man in a muddle (8)
13 Deal with the matter at issue from the off (5, 5)
15 Reveals by mistake without crying "Havoc" (4, 4)
16 Does a cap betray the criminal who has broken gaol? (8)
17 Note the value to us of one in honourable retirement (8)
19 Expert needs refreshment in the plant (6)
20 For an actor to get the boot is tragic (6)
21 "Deep —— in books, and shallow in himself" (Milton) (6)

SOLUTION TO PUZZLE No. 2,946

BAREFACED THROB
L E O O E U H E
IMPOUND PARTIAL
S E N I L N N L
STANDONCEREMONY
T A G T D F
FLINTY FESTIVAL
I N H B D H I O
REGIONAL RECOUP
S N L I T L
TRANSPLANTATION
H W T O S B N I
AFFRONT TALKING
N U N E E E S E
DELVE DEPOSITOR

BUSINESS AND INVESTMENT OPPORTUNITIES

READERS ARE RECOMMENDED TO TAKE APPROPRIATE PROFESSIONAL ADVICE BEFORE ENTERING INTO COMMITMENTS

LEGAL NOTICES

No. 003935 of 1975

In the HIGH COURT OF JUSTICE, Chancery Division Companies Court. In the Matter of KASSAM BROTHERS (U.K.) LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding-up of the above-named Company by the High Court of Justice was on the 27th day of November, 1975, presented to the said Court by BIRDS EYE FOODS LIMITED whose registered office is at Station Avenue, Walton-on-Thames, Surrey, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London, WC2A 2LL on the 12th day of January, 1976, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

WM. F. PRIOR & CO.,
Temple Bar House,
23/28, Fleet Street,
London, E.C.4.
Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 9th day of January, 1976.

No. 003937 of 1975

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of TERRY STONE LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN that a Petition for the Winding-up of the above-named Company by the High Court of Justice was on the 26th day of November 1975, presented to the said Court by R. K. BURT AND COMPANY LIMITED whose registered office is at 37, Union Street, London, SE1 1SD, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London, WC2A 2LL on the 12th day of January, 1976, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

WM. F. PRIOR & CO.,
Temple Bar House,
23/28, Fleet Street,
London, E.C.4.
Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 9th day of January, 1976.

No. 003899 of 1975

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of CHARLEON LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN that a Petition for the Winding up of the above-named Company by the High Court of Justice was, on the 25th day of November 1975, presented to the said Court by THE COMMISSIONERS OF CUSTOMS AND EXCISE of King's Beam House, 39-41, Mark Lane, London EC3R 7HE, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 12th day of January 1976, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing in person or by his Counsel for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

G. KRIKORIAN,
King's Beam House,
39-41, Mark Lane,
London EC3R 7HE.
Solicitor to the Petitioners.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm, and must be signed by the person or firm, or his or their Solicitor (if any), and must be served or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 9th day of January 1976.

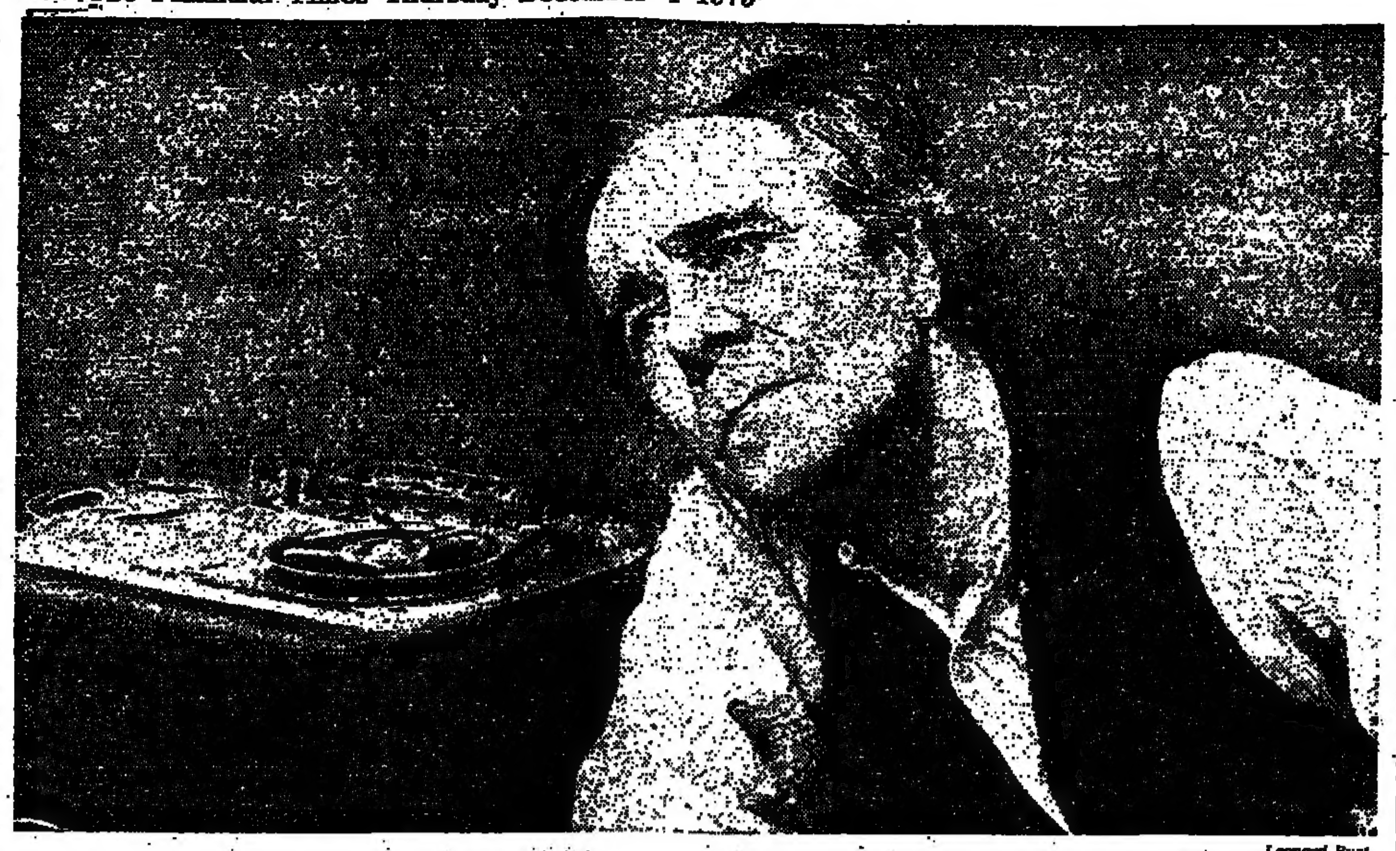
No. 003895 of 1975

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of ROY BLUMENTHAL ASSOCIATES LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN that a Petition for the Winding-up of the above-named Company by the High Court of Justice was on the 25th day of November, 1975, presented to the said Court by Reed Employment Limited of 146, New Bond Street, London, W.1, Employment Agency, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London, WC2A 2LL on the 12th day of January, 1976, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

C. A. MADDIN & CO.,
6, Claremont Road,
Surbiton,
Surrey KT6 4RA.
Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 9th day of January, 1976.



Max Wall in "Krapp's Last Tape," which opened last night in a double bill at the Greenwich Theatre

Leonard Burt

Guildhall School of Music

Two Blacher operas

by RONALD CRICHTON

Boris Blacher, who died early this year, was a leading musical figure in post-war Berlin, a distinguished teacher, for many years director of the High School for Music. Of his compositions, the comic opera *Preussisches Märchen*, the ballet *Hamlet* and the Paganini Variations for orchestra are well known abroad, if not here. Blacher summed up the reaction of sensitive Germans (especially Berliners) after the war against pathos, bombast, inflated emotion. English music-lovers are not as a rule slow to complain about Teutonic excess in Reger and (in certain moods) Strauss, but they appear equally disconcerted when German composers give them the opposite.

Romeo and Juliet, written during the war but revised not long ago, is typical of Blacher's methods. He condensed Shakespeare (setting his own German reduction of the text) to about the length of Massenet's *La Navarraise*, that is to say a substantial one-acter of an hour or so. The challenge of treating a passionate, violent, incident-packed subject in such a way was no doubt the spur. I saw a German production at (I think) one of the early Berlin Festivals, and recall a distinctly grey evening. In Tuesday's performance by the students of the Guildhall School, the work, though hardly to be described as colourful, made a stronger impression. It is dangerous to try comparisons over a stretch of about 25 years, but I fancy this London production was a good deal more interesting.

Blacher of course cut ruthlessly. Among characters who disappear are Mercutio, Paris and Friar Laurence (they were put back in Dennis Maunder's production, giving an opportunity for some lively miming by some of the School's drama students, but the restoration went against the composer's deliberate stylisation). Much and effective use is made of a Greek-style chorus and (in the revised version) of a mezzo Singer to fill out the action with commentary. *Romeo* is a number-opera. The voice parts flow smoothly, avoiding lyrical effusion but not expression. Words come through well, on the whole. Blacher's chamber orchestra is used with the utmost discretion in tints of grey, but the changes of colour, however low-keyed, make their point. He was an accomplished composer.

He did not however entirely escape one of the dangers of working on a miniature scale, that a number of anything approaching normal length may appear too long—a fact that might have passed unnoticed if Massenet's masterly demonstration of how to write short was not fresh in the mind. Romeo's solo in the tomb scene is a case in point, but Tuesday's singer, Ashleigh Rodway, though he looked the part, had too little vocal weight. Juliet was Mary MacSweeney, clear-toned but shy. The most assured performances came from Elizabeth McQueen (Singer) and Josephine Bromage (Lady Capulet). Dennis Maunder's production was most efficiently carried out. Sensible set and handsome costumes, by Margaret Matthews and Victoria Norrington respectively.

Romeo was twinned with *The Tide*, which has been seen in London before. Heinz von Cramer's libretto is a sour little seaside anecdote about a girl jilting an honest young fisherman for a boy from the big city who has just killed and robbed her rich protector. There is a hint of symbolism, but indifferent diction (the piece was given in an English version by Dorothy Reeder) left the point obscure and made the general effect negligible. The singing was mild. This is almost anti-opera, but even that needs to be put over firmly. Vilem Tausky conducted with his usual skill. There are alternative casts on Friday, alternative conductors Thursday and Friday.

Leonard Burt

Stephen Barker, Belinda Neave, Pamela Moore, Ritva Lehtinen and Verena Pottell in Moving Being's production of "The Journal of Anais Nin," which opened last night for a two-week season at the Round House

Festival Hall

Turangalîla

by NICHOLAS KENYON

How long it has taken for Messiaen's *Turangalîla* Symphony to become a work which requires no special pleading! It was dismissed and reviled at its first performance in this country with a rare unanimity; it survived in the fifties through the continued advocacy of Walter Goehr who conducted it in 1953-54, but only grew in stature with a group of revivals in 1967-69 (when it was heard twice at the English Bach Festival, and at the Proms). Only recently has it become respectable—in the last few months it has been heard at the Royal College of Music, in a splendid student performance under Norman Del Mar with Jan Latham-Koenig as pianist; and Robert Sherlaw Johnson's excellent new book *Messiaen* (Dent, £6.95) has analysed the piece with a dispassionate detail that would have seemed barely credible 25 years ago.

After Tuesday's performance by the London Symphony Orchestra under André Previn (26 years to the day after the work's premiere in Boston) the time has surely come to lay all the old arguments to rest and accept the work in the repertory. Excessive religiosity, 19th century clichés, echoes of popular music: all these objections paled in the face of a performance which played the work completely straight and which let us hear both its detail and its grand simplicity with a rare accuracy. This was not an overwhelming *Turangalîla*, for Previn was clearly making a supreme effort of concentration to control his massive forces; he failed only in two of the most ecstatic movements where the brass swept all before them, drowning woodwind and strings.

Elsewhere, in the slower group of movements based on the *Chant d'Amour*, the balance and depth of the string sound were ideal: rich yet well-defined, warm without being self-indulgent. Clarinets interpolated their simple "flower" motif to great effect in the long, complex eighth movement; indeed throughout Previn was at his most assured when drawing out the strong contrasts of the work. But the cool precision of the orchestral playing was heard to greatest effect in the penultimate, *Turangalîla III* movement, in which the complex rhythmic canons could be heard perfectly in a framework of developing tension.

Major contributions were made by both soloists. Michel Beroff, playing a piano part which has until now been regarded as Yvonne Loriod's prerogative, brought a quite new subtlety and beauty to the birdsong of *Jardin du Sommeil d'Amour*. His fiendishly difficult cadenzas in the second *Chant d'Amour* and in *Turangalîla III* were despatched with musical sense as well as with brilliance. If it was Beroff's previous happy collaboration with the LSO which helped to bring about this performance, then we should be doubly grateful to him. To put the seal on a clean and controlled performance, Jeanne Loriod kept the luscious glissandos of her Ondes Martenot to a minimum, and produced a sensual but not extravagant sound. In the tranquil love theme the Ondes added a gentle edge to the sound of the strings, and when (as in the *Joie du Sang des Etoiles*) it was called upon to dominate, it did so without any vulgarity. Here restraint paid great dividends.

This was not only a clean and convincing account of *Turangalîla*, but also one which stressed its purposefulness—the quality of thought behind its every gesture—to a surprising degree. (In this it provided a melancholy contrast with Messiaen's last large work, *Des Canyons aux Etoiles*, in which both design and detail seem less happily conceived.) If this performance gains *Turangalîla* more hearings it will have justified itself admirably. And an ideal next hearing would be a repeat of Tuesday's performance at the 1976 Proms.

The enthusiast

by B. A. YOUNG

The Sound of Two Hands Clapping, Kenneth Tynan. Jonathan Cape. £4.95. 256 pages

Kenneth Tynan has long been my favourite theatre critic of his generation, or of mine, or indeed of James Agate's. His achievement has been the more remarkable for having been attained in modern times, when newspapers give neither the time nor the space that was enjoyed in ampler ages; the New Yorker was doing us all a service, as well as itself, when it called him across the Atlantic and gave him room to expand himself.

The Sound of Two Hands Clapping does not contain any ordinary theatre reviews, but it starts off with a matchless piece of theatre writing, the long account (from the New Yorker) of Nicol Williamson's entertainment of President Nixon at the White House. This bizarre comedy comes up as bright as fiction, as truthful as Hansard. Mr. Tynan displays all his old ability to conjure up a remembered scene by the choice of apt detail, concentration on the very minutiae that make an occasion a special occasion.

There are sketches of more "high definition performers," in Mr. Tynan's phrase, but not done at such length: a friendly glimpse of a friendly Noël Coward, a defensive essay on Lenny Bruce, an interesting examination of Eric Morecambe that seems a little ungenerous to Ernie Wise, snapshots of Ethel Merman and Marlene Dietrich, a longer view of Roman Polanski, with whom he was working on the film *Macbeth*. They are followed by the two long pieces on the production of *The Recruiting Officer* and *Othello*, which were published by the National Theatre.

I wasn't very mirch interested in the unpublished interview for Playboy which I think was unpublished with reason. The subsequent essays on pornography seem to have been somewhat overtaken by time. Finally there are three travel pieces including a superbly double-edged note on Valencia.

Occasional journalism in hard covers doesn't often sustain this level. Perhaps the secret lies in the first two lines of Mr. Tynan's introduction: "With one exception. . . the pieces collected in these pages have a common theme. They represent enthusiasm." Enthusiasm is the first, fundamental requirement of a critic. Mr. Tynan is overflowing with it.

EMI £1,000 Music Scholarship

EMI is to give a £1,000 travel scholarship to a young British classical musician in the year 1976. The award, to be known as the EMI Scholarship, will be donated through the scheme started last year by the Royal Society of Arts. Young professional string players are invited to take part, and the finalists will be auditioned by a panel of judges, including artists and others distinguished in the world of international classical music. EMI will be representel on the panel by Mr. Peter Andry, general manager of EMI's International Classical Division, and the auditions will take place in March and April.

Mr. Keith Grant, Secretary of the Royal Society of Arts, commented, "The purpose of the scholarships in the Royal Society of Arts scheme is to enable singers and players to travel and study abroad. Public money is virtually unobtainable for this purpose, and therefore we are extremely grateful that a company such as EMI has agreed to sponsor our scheme."

Mr. John Read, chairman of the EMI Group of Companies, said yesterday, "EMI has always assisted the arts, including music, to a considerable extent during the company's long and historic involvement in the field of recorded music; but we feel the Royal Society of Arts' scheme has great merit and we therefore have much pleasure in supporting it."

Application forms and further information are available from: The Royal Society of Arts, John Adam Street, Adelphi, London, WC2N 6EZ. (Tel: 01-839 2366.)

BM's exhibition on the Parthenon

A new gallery, now open to the public, completes the British Museum's permanent exhibition on the Parthenon, displaying for the first time since the war some fragments of the sculptures as well as architectural elements of the building itself.

A feature of the exhibition is the detailed explanation of the objects, accompanied by a wide range of illustrations, including casts, photographs and copies of drawings and engravings from the 17th and 18th centuries.

Whitbread Literary Awards

Miss Helen Corke, 93, whose first book was published 50 years ago, yesterday received the 1975 Whitbread Award for Biography or Autobiography, for her book, *In Our Infancy*, an autobiography that spans the years of her life between 1882 and 1912. She received the award, a cheque for £1,000 and an inscribed silver dish, from Mr. Sam Whitbread, who said in London yesterday that Whitbreads had been supporting the arts for "around 200 years."

Former Scottish school teacher, William McIlvanney, 39, was presented with the £1,000 fiction award for his novel, *Docherty*.

The First Book Award, also for £1,000, went to Miss Ruth Spalding for her biography, *The Improbable Puritan*, a life of Bulstrode Whitelocke.

Record Review

Liszt's Elizabeth

by RONALD CRICHTON

Liszt. The Legend of St. Elizabeth. Soloists/Czech Radio Children's Chor., Slovak Philharmonic Chor. and Orch./Ferencsik. Three records in box. Hungaroton SLPX 11650-52 (£5.25).

Henze. Kammermusik. Die Weisse Rose. Langridge. Walker/London Sinfonietta/Henze. Oiseau-Lyre DSLO 5 (£3.25).

Shostakovich. String Quartets 7, 13, 14. Fitzwilliam Quartet. Oiseau-Lyre DSLO 9 (£3.25).

Recital of French Songs. Bizet, Berlioz, Debussy. Gomez/Constable. Saga 5388 (95p until January 1, then £1.25).

Recital of Spanish Songs. Granados, Turina, Falla. Gomez/Constable. Saga 5409 (95p until January 1, then £1.25).

The Legend of St. Elizabeth is a full-length oratorio dating mostly from Liszt's fruitful Weimar period, begun after completing the *Faust* Symphony. The subject is the historical Hungarian Saint, not to be confused with the imaginary Elizabeth of Wagner's *Tannhaüser*—confusion is possible, since both young ladies were full of goodness, and both were associated with the fortress of the Wartburg, not far from Weimar. The impulse for *St. Elizabeth* came from frescoes in the Wartburg by Schubert's friend Moritz von Schwind, who also painted frescoes for the Vienna State Opera. The oratorio was a success in Litzt's lifetime, but later dust settled so thickly that not even the Liszt revival of recent years blew it away. Now, at last, comes an excellent, incredibly cheap recording from Hungaroton, made at Bratislava by a Hungarian conductor (Janos Ferencsik) and soloists, with Slovakian choirs and orchestra.

Like so many of Liszt's neglected works, *St. Elizabeth* turns out to be a strange, stimulating, uneven mixture, with genuine originality flawed by flat moments, in this case due to lack of dramatic pace in scenes which need taut control and a related weakness in arioso declamation. The choral writing is simple but assured. The surprise comes with the treatment of the orchestra. Bartok wrote that "as an orchestral innovator (Liszt) ranks with the other two great orchestrators of the 19th century, Berlioz and Wagner." Here he uses clear, cool, restrained colours (the three flutes of the opening are an obvious example) which may point to *Parsifal* but are otherwise as unlike Wagner as any composer writing in the orbit of that devouring genius could hope to be. One is reminded more of Debussy's *Blessed Damozel* and *St. Sebastian*.

There is a visual as well as a musical link. A line may be traced from the pallid but not worthless charm of Schwind's decorations to Morris, the Pre-Raphaelites and the *fin-de-siècle* artists who were part of Debussy's world. Liszt, though he did not possess Debussy's highly developed aesthetic sensibility, was also a composer who reacted to visual suggestion. It was a mistake, in the otherwise admirably designed album that comes with the records (texts in Hungarian, English, German, Russian, in that order), to exclude reproductions of all but one of Schwind's Wartburg frescoes in favour of some late Gothic paintings from an altar-piece at Kosice, which may be stronger works of art but throw little light on Liszt's music.

It is in these quiet, inward passages, where Elizabeth reveals musical kinship to that other Lisztian innocent, Gretchen, that Ferencsik and his chorus and orchestra excel—though the big symphonic interlude between the death scene and the finale (which brings some interestingly bold and simple choral writing) also goes well. A number of young Hungarian singers distinguish themselves. The male soloists include three baritones and two basses, among whom I particularly liked the Hungarian Magnate of Lajos Miller and the Seneschal of Gyorgy Bordas. Eva Andor's clear, soft tone as Elizabeth is appealing except in the Prayer, where she goes boxy (and where Liszt is obviously concerned not to be accused of cribbing from *Tannhaüser*—the result is a stilted page). The most characterful performance comes from Erzsebet Komlossy as the Landgravine Sophie, Elizabeth's horrid mother-in-law. She alas, is a classic example of the squally type of Central European voice - production which we find hard to take.

Book Reviews appear on Page 29

Oiseau-Lyre continue to produce discriminatingly chosen, well-made and well-produced records that are a definite gain to the catalogues. Henze's *Kammermusik* (1958) is a fine work from his Italian period, an extended setting of fragments from Hölderlin for tenor, guitar and chamber orchestra, dedicated to Britten, written for Pears and Bream. It is sung here by Philip Langridge — remarkable, especially in his management of the quiet but florid line of No. 10 ("Wenn einer in den Spiegel siebet"). Timothy Walker is the guitarist. The London Sinfonietta excel themselves under the Henze's direction — he really has become, as composers should be but so rarely are, the best interpreter of his works. Barry Tuckwell's horn playing is fabulous: listen to the opening, a courteous tribute to the Britten of the *Serenade*. The *Kammermusik* is given with a later addition, an instrumental epilogue in memory of the Schönberg scholar, Josef Rufer. *Die Weisse Rose*, a fugal piece written written in memory of a Munich resistance group, builds up impressively both in music and performance.

The Fitzwilliam Quartet have given the first British performances of the last three quartets of Shostakovich, who made the journey to York University to hear them and remained in personal touch. They have repaid the honour with dedicated musicianship. Their playing of Nos. 7 and 13 cannot rival the technical assurance and tonal certainty of the already celebrated set by the Borodin Quartet on HMV/Melodiya, but the Fitzwilliam have a spontaniety and intuition which are no less valuable. The bleakness and spiritual loneliness of these two works heard in succession (if Holst had been spared for a few more years, he *might* have written something similar) are shattering enough, but I was unprepared for the effect of No. 14, fuller-textured, more relaxed, finally even more enigmatic because of the strange quasi-ironic meltings into diatonic sweetness. An eloquent performance, though the balance is slanted towards the viola, who comes over as a stronger musical personality than the expressive but light-toned cellist.

The voice of Jill Gomez records so well, to judge from these two attractive if not entirely satisfactory Saga records, that she is likely to have a busy recording career. In the course of it she may well, with riper experience, do some of these French and Spanish songs again. The sound of her opulent yet fresh tones is beautifully caught. Yet she (who did the Schubert song quoted in Tippett's *Knot Garden* so movingly) is here an opera-singer caged—not a question of insufficient vocal control, but of emotional and stylistic over-emphasis, of the sudden isolation of words which only ask to be sung clearly. She treats these Latin delights with the gleeful abandon of a schoolgirl with a bag of caramels—and a hearty appetite.

On the Spanish record the *Poema en forma de Canciones* of the always amiable but all-too forgettable Turina, the slow songs among the group of Tonadillas by Granados, and the slow ones again in the *Seven Popular Songs* of Falla, are acceptable because the tone is luscious, the voice flexible. But in the faster songs the Goyaesque wit of Granados, the bitterness and ancient peasant wisdom of the Falla settings, are absent. What makes this record desirable is the inclusion of the rarely heard *Trois Mélodies* of Falla with words by Gautier, written in Paris under the shadow of Dukas, Debussy and Ravel. They are exercises in style. "Les Colombes" might be by Roussel. "Chinoiserie" is as carefully polished as a genre piece by Ravel. "Séguidille" is a superior, respectful study in the French way of writing Spanish music. Each of the three has Falla's typical sharpness of outline.

In the French songs wholehearted enthusiasm doesn't quite carry the day. Bizet's seductive "Adieux de l'Hôtesse arabe" needs something more subtle than this. "Wish you could stay longer" type of jolliness; the Berlioz-Thomas Moore songs (for addicts only) don't fully come to life. The *Proses lyriques* of Debussy come out too juicy by half: these songs are so drenched in poetic feeling both verbal and musical that they demand discretion from the singer as much as vocal richness. Miss Gomez has plenty of the latter, but she wallows when she should keep the music moving. Her partner, John Constable, is generally happier in French music (among which one may include the Falla-Gautier set) than Spanish, where he pecks at the guitar-type accompaniments.

I understand that the Greek Columbia record of Late Works by Jani Christou (CSDG 68) referred to in a recent concert review is available here on import, price £2.99.

Australia House

Banks & Sculthorpe

by DOMINIC GILL

At a recital presented by the Australian Musical Association on Tuesday, the Austral Quartet gave the European premieres of two new string quartets by Don Banks (b. 1923) and Peter Sculthorpe (b. 1929).

The Banks was a substantial piece, around 20 minutes long, easy in movement, lyrical in impulse, but closely worked according to quite strict serial techniques: a complex score which I suspect, would repay close study—I should like to hear it again. The music is dense, but it has a cleanness, energy, vitality—not the self-conscious sparkle that comes from a quick dose of technical regime (the nice misprint "vitability" in our programme-note suggested just such a course of musical vitamin pills), but genuine inner life, inner force.

There was variety, too, in the working, of rhythm, texture, gesture, melody; the manner had poise and lightness, but avoided the slick or easy answer, spoke of deeper preoccupations, firm historical links. The second and last of the two sections (played without a break) stands as an anxious, melancholy epitaph to the *allegro* first: mostly muted, mostly dark, *misterioso*, full of simple, imaginative sonority—delicate harp-like figures, wide-spaced surges in close harmony, sinister undertones, played very quietly *spiccato* on the bridge.

Sculthorpe's string quartet no. 9, composed last year, was shorter than the Banks by a few minutes, but less weighty by half. Two kinds of music predominated: a thoughtful *calmo* melody, sung to various ostensibly different but in practice rather same-sounding accompaniments (was it this melody which sang, as our programme informed us, "of the Australian bush and desert, and of loneliness,"?); and a chugging *col legno*, pizzicato mix, above which the *calmo* tune eventually emerges in modified form. Quite pleasant; quite unmemorable.

WORLD TRADE NEWS

U.K. 'had $800m. surplus with Japan in 1974'

BY KEVIN RAFFERTY

THE Japan Trade Centre in London contends that Britain does not have the "much publicised" deficit in trade with Japan but a large surplus, which last year was almost $800m.

Experts at the Centre make this claim after adding in figures for invisible trade between the two countries. According to Bank of Japan figures, last year the U.K.'s invisible surplus shot up to $1.46bn. from $751m. in 1973. The increase more than offset the rise in the U.K.'s deficit on visible trade with Japan, which was $675m. in 1974.

The Centre brushed aside the objection that the figures for invisible trade are gross, and vastly overstate the actual (net) receipts.

"We could say the same about the visible trade balance," the Centre comments. "Aircraft which Japan imports from the U.S. incorporate British engines, and when Japan buys oil from producing countries some part of the payment may flow into the revenues of British oil companies.

"Again, Japan is poor in natural resources, and a substantial part of the price for iron, steel and machinery which Japan exports to Britain is paid to a third country in the form of payment for iron ore, coal, copper ore, bauxite and so on. Therefore, if we calculate in this way, a great deal of complicated adjustment would be necessary even for visible trade figures."

The claim is part of a paper produced by the Centre in an attempt to answer allegations of unfair Japanese trading practices.

Even taking only visible trade into account, the experts say that Anglo-Japanese trade has a small influence on exchanges between the two countries. In 1974, for example, Japan's share of U.K. imports was only 2.5 per cent. and the U.K.'s share of Japan's imports a mere 1.4 per cent.

The deficit in Britain's visible trade with Japan is smaller than those in visible trade with the U.S., West Germany, France, and the Netherlands.

The Centre denies that Japan's exports to the U.K. are causing the destruction of British industry or a rise in unemployment. Although British businessmen have accused Japanese makers of colour TV tubes, cars, and zip fasteners of dumping, no claim has been substantiated. In the case of cathode ray tubes the authorities "found no evidence of dumping whatsoever."

As to subsidies, the paper points out: "Our export industries, unlike those of Britain, include no nationalised industries but are all run by private enterprises. The Government gives them no subsidies at all."

Indirect support, such as tax relief, had been reduced and none of the items infringed GATT regulations. Terms of export financing are similar to those of other countries.

Even if Japan did deliberately curtail its exports to the U.K. there was no guarantee that that would benefit British manufacturers.

U.K. CURRENT BALANCE WITH JAPAN

$m, IMF Base

	1974	1973	1972	1971	1970	1969	1968	1967	1966	1965
Visible trade	− 675	− 527	− 416	− 102	− 56	+ 28	− 131	− 137	− 59	− 76
Invisible balance:	+1463	+ 751	+ 465	+ 492	+ 495	+ 397	+ 341	+ 284	+ 240	+ 137
Credits	2675	1620	1045	879	818	656	566	489	402	274
Debits	1212	869	579	387	323	259	225	205	162	137
Transfers	+ 8	+ 8	+ 1	− 2	− 1	− 1	− 2	− 1	− 1	0
Current balance	+ 796	+ 232	+ 51	+ 388	+ 438	+ 424	+ 208	+ 146	+ 180	+ 61

Source: Bank of Japan

Brazil will reduce 1976 imports by 20%

BY OUR OWN CORRESPONDENT SAO PAULO, Dec. 3.

THE Brazilian Government has announced a series of 12 measures which put a rigorous limit on imports and aim to encourage exports. Sr. Mario Henrique Simonsen, Minister of the Economy, has admitted that the measures are "strong," but he claimed they were necessary to avoid "other even stronger measures in the future."

Action has been taken because of the country's deteriorating trade balance. While imports will reach at least $12.7bn.-$12.8bn. this year, exports will remain at an unsatisfactory $9bn.

Sr. Simonsen expressed particular disappointment with the fall, both in price and volume, of exports of coffee, soyabeans and sugar. At the beginning of the year he had thought exports would "easily" reach $10bn.

In view of the trade gap estimated for this year at $3.7bn-$3.8bn. at least, the Government aims to reduce imports by 20 per cent. next year.

These measures include instructions to all Federal government bodies to reduce their imports by 25 per cent. next year and to cut back by 20 per cent. the petrol consumed by official cars.

The Government has also extended from 180 to 360 days the period during which the total value of an imported article has to be deposited at the Banco Central by the importing company, whether private or State-owned.

Some essential imports, including oil, coal, wheat and fertilisers are exempted from the requirement. Tax exemptions related to machinery and equipment imports for priority industrial projects have also been abolished or reduced.

To encourage exports, the Government has created a special export promotion programme by which working capital will be provided to companies that have increased their foreign sales. Export credits have also been increased.

French treble 1975 sales to Iran

PARIS, Dec. 3.

M. MICHEL d'ORNANO, the French Minister for Industry, back from a two-day visit to Tehran, said he expects Iran to become a major trading partner of France in the next few years. French exports to Iran had doubled during the first nine months of this year to Frs.1.9bn. (£212m.) from Frs.850m. (£95m.) a year earlier.

For the whole year of 1975 French exports to Iran would rise to about Fr.2.5bn (£279m.), the Minister said, making it the 13th most important buyer of French goods.

M. d'Ornano said that prospects for increased French exports to Iran were bright. Contracts concluded this year would exceed Frs.5bn. (£557m.).

E. Europe worried at possible UK import cuts

By David Lascelles
East Europe Correspondent

BRITAIN'S increasingly lucrative trade with Eastern Europe would suffer if import restrictions were applied by the British Government, according to the London Chamber of Commerce.

In the past two weeks, an increasing number of East European embassies and Chambers of Commerce have expressed concern to the London Chamber about reports that restrictions were being considered.

Although East European countries no longer try to balance their annual trade accounts exactly, any further restrictions on access to the British market would diminish prospect for British sales to those countries, the Chamber believes.

That applies particularly to Poland, Hungary, Czechoslovakia, Romania and Yugoslavia, countries where Britain enjoys a considerable surplus, but whose exports include such senitive items as clothing, textiles, shoes and cars.

Although Britain's trade with East Europe is less than 5 per cent. of the total, it has risen by 35 per cent. so far this year, and the surplus with the above five countries has topped £70m.

The Chamber also points out that Britain's main rivals for large East European contracts already import more East European goods than Britain, which puts them in a stronger bidding position.

Marked decline in 1975 textile exports—GATT

BY DAVID EGLI GENEVA, Dec. 3.

WORLD EXPORTS of textiles and clothing increased in value terms by about 24 per cent. last year, amounting to more than $32bn., according to a report prepared for the GATT Textiles Committee meeting which ended here to-day. In contrast to preceding years, textile exports (plus 25 per cent.) rose faster than those of clothing (plus 22 per cent.), in value terms.

Preliminary data available for the first half of this year indicates a marked decline in textile exports, reflecting a reduced demand for stock-building. The GATT secretariat believes that the fall in value terms from January to June was nearly 20 per cent. for the developed countries, while their exports of clothing continued a fast rate of expansion, being roughly one fifth higher than in the corresponding period of 1974.

Those countries remained the principal exporters of textiles, accounting last year for 62 per cent. of the world total—roughly the same as in 1973. But their share of clothing exports, which was nearly 48 per cent. in 1970 and 35 per cent. in 1973, declined to about 33 per cent. last year.

The developing countries' share of world clothing exports followed a reverse pattern, and again increased last year to 48 per cent., compared with 46 per cent. in 1973 and about one third in 1970. For textiles, the proportion of world shipments accounted for by developing countries rose from 27 per cent. in 1973 to 28 per cent. in 1974.

Despite those trends, it should be noted that in absolute terms the trade gain for developed countries in the period was larger than for developing countries—more than $3bn. as compared with $2.5bn. Also, while the apparent growth of trade is impressive, it is attributable in large measure to price increases.

World production of both textiles and clothing declined in the second half of last year and has continued to do so since then. Textile output in developed countries, after more than a decade with an average annual growth of 4.5 per cent., has fallen in recent months. The GATT sets 1974 production for those countries 4 per cent. lower than in the previous year.

Although developing countries continued to increase production in the same period, this was at a sharply lower rate—about 4 per cent. compared with 6 per cent in the previous year.

The Textile Surveillance Board provided the committee with an insight into the operation of the multi-fibre agreement during this difficult period, and the general consensus appeared to be that there was at present no alternative to the textiles arrangement, however burdensome it was to exporters.

A major review of operations under the agreement is scheduled for next year, and on the basis of that the 40-odd countries which have come into the agreement so far will decide what should follow the present four-year agreement when it runs out at the end of 1977.

Swiss chemical output at 1971 levels

BY JOHN WICKS ZURICH, Dec. 3.

SWISS CHEMICAL production for July-September fell back to 1971 volumes, according to the Swiss Association for Chemical Industry. Output declined 5.4 per cent. from the preceding quarter and was 19.5 per cent. below a year earlier.

My comparison with orders booked in the record first quarter of last year, the level dropped as much as 25.4 per cent. Production declined most sharply in the dyestuff, organic and inorganic intermediates and plastics sectors, but showed a gratifying increase for agro-chemicals.

The Association hopes that production, particularly in the field of dyestuffs and pharmaceutical active agents, will be rather better in the current fourth quarter.

Over the first ten months of 1975, Swiss chemical exports fell in value terms by 12.8 per cent. to Sw.Frs.6,042.9bn. (£3.45bn.). Imports dropped even more sharply, by 25.5 per cent. to Sw.Frs.3,452.1bn. (£1.97bn.). For October alone, however, exports rose 18.3 per cent. by value following stocking-up by customers.

Chinese aid for Pakistan steel mill project

By Iqbal Mirza

KARACHI, Dec. 3.

THE PAKISTAN Government has approved the site of the mini steel mill as suggested by the Chinese experts in their report on this project. It will be located at Shahwali. The Chilghazi pig-iron and steel smelting plant would cost Rs273m. (£13.5m.). China has agreed to provide technical and financial assistance.

The main concentration of work at present is on investigation of the iron ore in the Nokkundi area. Results so far have been described as encouraging.

The steel smelting plant would have an annual capacity of 100,000-200,000 tons.

A feature of the pattern that has emerged so far is the concentration of reserves in the limited area of the target localities and the shallow depth at which iron ore has been struck in Chigindic.

Contracts Abroad

TECHNIMONT, plant construction division of the Italian Montedison group, is to supply a complete 100,000 tons a year polypropylene plant, using Montedison patents, to Russia. The plant will go to Siberia, and includes substantial insulation work to offer protection from temperatures down to 55 deg. C below zero. The contract is put by industry sources at around $125m., including ancillary plant such as a catalyst production facility.

IN BRIEF

Indian steel imports

The Indian Government has relaxed the four-year-old stainless steel import ban, for the time being. Stainless steel strips as cold rolled coils will be allowed in for the pen nib industry, razor blades, watch straps and hospital equipment.

Hong Kong deal

Gainsborough Electrical, Birmingham-based manufacturer of electric shower water heaters, has an initial trade agreement worth £30,000 with a Hong Kong company. Hong Kong will be used as a base to expand Far Eastern business.

Israel exports to U.S.

Israeli exports to the U.S. are likely to increase significantly as U.S. tariffs on 2,700 products are being abolished on January 1. The move results from inclusion of Israel in the U.S. list of developing countries entitled to preferential customs treatment. Sales to the U.S. of goods affected by the decision currently bring in $100m. a year, and account for one-third of total Israel shipments to the U.S. The items now free include tyres, various electronic and metal products, a large number of chemicals, sanitary installations made of copper, oil filters, jewellery and furniture. Most of the duties hitherto were between 5 and 8.5 per cent. but some were as high as 27.5 per cent.

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Simon makes fresh plea against trade restrictions

BY PAUL LEWIS, U.S. EDITOR

WASHINGTON, Dec. 3.

THE U.S. Treasury Secretary, Mr. William Simon, has made another impassioned plea for freer world trade and against the use of trade restrictions that might solve the economic problems of one country at the expense of others.

Although Mr. Simon made no mention of the U.K. or the British Government's internal debate over import controls, his remarks clearly reflect the considerable diplomatic pressure the Ford Administration has been placing on London in recent weeks to avoid such measures.

Addressing the Pacem in Terris Conference here, the Treasury Secretary described the decision to accelerate the current round of GATT trade freeing negotiations as one of the most important taken at the Rambouillet economic summit last month.

He went on to emphasise the commitments that all major industrial countries have made to avoid recourse to trade restrictions—and which were repeated in the Rambouillet declaration—adding that it was not enough just to resist protectionist pressures, but that countries must ensure the new GATT round was completed by the end of 1977.

Behind these remarks by Mr. Simon lies a story of strong American pressure on the U.K. in recent weeks to avoid import controls and considerable annoyance at suggestions that the Rambouillet summit meeting had given its reluctant endorsement to some selective restrictions.

The Americans were very upset by reports in the British Press that President Ford and other Western leaders had agreed that controls were justified in Britain and the British Ambassador to Washington was told in no uncertain terms that this was not the Administration's view of the summit meeting.

The U.S. has argued that restrictions on British imports would cause a diversion of goods towards its own market, particularly from Japan and the Far East. If this happened, there would be real danger of new pressure for quotas and other restrictive trade measures in the U.S. which the Administration would have great difficulty resisting under the terms of the new Trade Bill that has increased American industry's right to protection.

Ford sees 'good signs' in Peking

PEKING, Dec. 3.

PRESIDENT Ford and Mao Tse-Tung discussed the issue of U.S.-Soviet détente in their long private talk, White House officials said to-day, adding that it would be "a terrible mistake" to underestimate the value of Ford's Peking mission.

White House Press Secretary Ron Nessen confirmed there would be no communiqué to mark any new breakthroughs in U.S.-Chinese relations at the close of Ford's visit, but he said that the mission had produced many "good signs" that should offset sceptical questioning of this development. "Every public sign has been a good sign," Nessen told reporters at the end of the third day of Ford's visit. "There have been no bad signs."

In response to questions, he confirmed that Mr. Ford and Chairman Mao had discussed détente, which China has blasted publicly during Ford's stay, and agreed with a reporter's suggestion they had achieved "a better understanding" as a result of their talk.

Mr. Ford and Mao met on Tuesday for one hour and 50 minutes—a remarkably long audience for the ailing 81-year-old Chinese Communist Party Chairman. Mr. Ford to-day called it "a significant conversation."

Mr. Ford followed up Tuesday's Mao audience with 2½ hours of talks to-day with Acting Premier Teng Hsiao-Ping in the President's Peking residence. They enthused over the significance of the lengthy Ford-Mao meeting before debating the significant problems dividing Peking and Washington.

Little information has been disclosed on the substance or tone of these talks. The White House merely described this round as "a continuation of significant discussions on a wide range of issues."

Then, in rapid succession, Ford conferred for two hours on U.S. budgetary problems with an aide; tramped through the stuffed animal and communal farm of an agriculture exhibit; attended an informal dinner in his honour; and watched an exhibition of ping pong and gymnastics in Peking's sports arena.

The President appears tired and somewhat sombre. When he had a 25-minute nap during the day, Press Secretary Ron Nessen said: "He needed it."

The Chinese media played Mr. Ford's trip prominently. A picture of Ford and Mao was splashed on the front page of the Peking People's Daily, and Chinese television showed film of the two leaders greeting one another warmly at Mao's residence.

Agencies

Visit for businessman held in Argentina

BUENOS AIRES, Dec. 3.

CONSULAR offices hope to visit detained British businessman Richard Whitecross here to-day following police allegations that he was involved with a Left-wing subversive organisation.

Mr. Whitecross (33) was arrested with his Argentine wife Cristina 10 days ago. He has been accused of being a member of a so-called Chilean Revolutionary Co-ordinating Committee, according to a police report issued last night.

The couple have been held incommunicado here under State of Siege regulations with the exception of one brief visit by a British Consular official. But diplomatic sources said that permission was likely to be granted for another visit to-day.

The sources said that the British Embassy was now aiming to get the couple out of Argentina under provisions which theoretically allow people detained during a State of Siege to opt for deportation.

Mr. Whitecross, who is from Braintree, Essex, has worked in Argentina for almost four years as a representative of the Oxford University Press and other British publishing houses.

Reuter

Richard Lindley adds: In another mini-devaluation, the Economy Ministry to-day brought the new peso, financial rate, from 52.80 to 55.35 to the dollar. In the last devaluation, on November 21, the commercial rate of the peso was abolished.

Venezuela runs $268m. deficit

By Joseph Mann

CARACAS, Dec. 3.

VENEZUELA'S Central Bank has reported in its latest bulletin that the Government has accumulated a deficit of $268m. for the first ten months of 1975 with total income at $8.21bn. and expenses reaching $8.48bn.

Although Government officials have asserted that the country's $10bn. national budget will not show a deficit at the end of the year, the principal opposition force—the Social Christian Copei Party—warned in Congress that the State will end the year in the red.

Petroleum income, the nation's most important source of revenue, has dropped by more than 10 per cent. from last year's high of $8.56bn. as a result of voluntary Government production cuts and reduced sales of Venezuelan petroleum on the international market. Government planners have applied about $1bn. destined for the Venezuelan Investment Fund to unexpected expenses in several Ministries.

Officials say that this juggling of Government funds will cover the traditional overspending that occurs in State agencies every year, but observers outside the Government are not so sure.

1,500-mile pipeline plan

BILLINGS, Montana, Dec. 3.

NORTHERN Tier Pipeline Company, a recently formed consortium of six participants, has said that it plans to build a 1,500-mile crude oil pipeline from the Seattle area to Clearbrook, Minnesota.

The line would serve U.S. refineries now dependent on oil from Canada, the export of which is being curtailed by the Canadian Government. The oil to be delivered would come from both Alaska and overseas.

Northern Tier did not provide a cost estimate of the project or a timetable for its completion. Participants are Burlington Northern Inc., St. Paul, Butler Associates of Tulsa, Chicago Milwaukee Corporation of Chicago, Curran Oil Company of Great Falls, Montana, Western Crude Oil of Denver and Patrick J. McDonough, an independent oil operator in Billings.

The planning includes underground storage facilities to be developed in salt caverns in the Williston basin of North Dakota.

AP-DJ

Caribbean 'dissatisfaction'

By Our Own Correspondent

KINGSTON, Dec. 3.

THE MINISTERIAL Council of the Caribbean Community and Common Market last night instructed Secretary General Alister McIntyre to inform the British Government of the region's continuing dissatisfaction with arrangements which are being made for aid to the dependent countries of the eastern Caribbean, under Part Four of the Treaty of Rome.

The Council last night studied a British reply to an earlier expression of concern, but concluded that the British statement did not clarify what delegates later said were "important" matters relating to levels of aid, to regional projects in these dependent territories, and also to representation for these territories in Brussels.

● At the United Nations, the Western industrialised countries either abstained on or opposed a resolution designed to change trade and investment relations between rich and poor countries. The resolution, approved by the Financial Committee, urged that the General Assembly reaffirm its determination to develop the "new international economic order"

Senators try to speed NY cash aid

WASHINGTON, Dec. 3

TWENTY-ONE Senators petitioned to-day to block a filibuster against President Ford's plan to loan New York City the money it needs to avoid financial default.

The move means the Senate could take final action on the plan on Friday.

The petition was filed immediately after majority leader Sen. Mike Mansfield brought up the $2.3bn. New York City Loan Bill approved by a 10-vote margin in the House. Backers of the measure hoped to rush it to final passage before the City faces its next default deadline on Dec. 11.

Sen. Jesse Helms (Rep.) objected to the petition for closure, saying he wanted to debate it. But such a petition is not debatable under Senate rules, which permit a vote on the petition two days after it is filed.

Senate leaders say they have the 60 votes needed to approve the petition.

The Municipal Assistance Corporation (MAC) is extending its exchange offer to December 29 from December 10, saying it "understands the City either directly or through its paying agent expects to pay interest to holders of City notes scheduled to mature on December 11, 1975, on or promptly after such date."

MAC also said it instructed its general counsel to file a motion for summary judgment dismissing the complaint in the lawsuit brought by Flushing National Bank challenging the validity of the Moratorium Act.

Reuter reports from New York: New York City employee pension funds will auction 35 lots of corporate bonds with a face value of $155.6m. to-morrow, City Comptroller Harrison J. Goldin said. The proceeds of the sale will be converted into Municipal Assistance Corporation (MAC) debt which will give the city enough cash to meet its operating needs until December 12.

INTELLECTUALS IN MEXICO

Bending the minds

BY ALAN RIDING, MEXICO CITY CORRESPONDENT

PRESIDENT Luis Echeverria has succeded in breaking down the hostility to both himself and the Mexican regime which once was widespread among intellectuals.

When he was picked to succeed President Diaz Ordaz six years ago many Mexican writers and artists protested loudly. One leading intellectual announced that he would rather emigrate than live under the new regime.

Yet, by the time Sr. Echeverria chose Sr. José López Portillo to be his successor two months ago, he had not only neutralised Leftist intellectuals as a source of political opposition, he had also wooed many of them into becoming apologists for his reformist administration. And now, as Sr. López Portillo campaigns for next July's rubber-stamp elections, leading intellectuals accompany him as if it were the natural thing for them to do. The taming of the intellectuals is seen as a stunning display of Sr. Echeverria's considerable political talent.

It is not easy to be an independent intellectual in most Third World countries, where educated elites are small, the State is powerful, and dissidence repressed. But it is also true that, during the past six years, few Mexican intellectuals have been able to resist the flattery and financial rewards showered upon them by the Echeverria regime. Many of the leaders of the 1968 student movement, which ended with the Massacre of Tlatelolco when some 300 people were killed by the Army, are now working for the government. Writers or academics seem happy to become advisers, Ambassadors, like Sr. Carlos Fuentes, the novelist, in Paris or even Ministers.

Sr. Echeverria's rapprochement with the intellectual community is all the more striking since his predecessor was openly hostile towards writers, artists and academics. They were invariably considered to be Communists. Censorship of newspapers and books—the responsibility of the then Interior Minister Echeverria—was much stricter. Many intellectuals were gaoled when the 1968 movement was crushed.

Sr. Echeverria's change was unexpected, but was also a return to the tradition of Mexican intellectuals being attracted by the State. The present political system, represented by the Institutional Revolutionary Party, grew directly from the 1910 Revolution, whose ideals are still shared by leftist intellectuals today. As the regimes became increasingly conservative, the role of intellectuals in sustaining the myth of the Revolution became ever more important. Even openly-rightist administrations, with the exception of the Diaz Ordaz government, made a point of treating them as an important part of the establishment. The fact that Mexico's leading poet, Sr. Octavio Paz, resigned as Ambassador to India following the Massacre of Tlatelolco, for example, has tended to obscure the point that he had accepted the post in the first place.

From a purely political point of view, then, Sr. Echeverria's interest in winning over the intellectual community was logical. He had concluded that, if unrest were not to spread through the middle classes, a relaxation of political controls was necessary. The political risks involved would be more than compensated by the winning over of the chroniclers of the times.

He therefore released most political prisoners gaoled for thought rather than deed and permitted greater freedom of expression. He also encouraged "constructive" criticism of political and socio-economic conditions in the country, sought out a "dialogue" with the student movement, and began inviting intellectuals to meet him privately to give their opinions on key issues. Finally, he won special favour for his foreign policy of criticising the U.S. and aligning Mexico with the Third World. The net result was that Sr. Echeverria could point to intellectuals freely expressing their support for his policies in a freer Press.

Just how was it done? The very concept of "intellectual" has an elitist flavour. "We are the conscience of the people," the painter, Sr. José Luis Cuevas, recently said. With one party eternally in power and enormously influential in all walks of public life, a relationship with the State is almost inevitable both as a status symbol and a source of income.

> "The President's desire to parade intellectuals as his allies, and their willingness to be so paraded, has been more apparent than their impact on national affairs."

After being in the wilderness during the Diaz Ordaz regime, many intellectuals were therefore responsive to Sr. Echeverria's advances. The Colegio de Mexico, home of many of these intellectuals, suddenly saw itself as a shadow administration, providing advisers to Ministries, and even to the President himself. Salaries of lecturers and professors at the National University suddenly shot up. Films and books that had long been banned were suddenly presented to the public. In other words, many intellectuals felt they were at last having an influence on national policy—and being properly rewarded for their efforts. And to those critics of their position, the standard reply was that Mexico faced the choice of "Echeverria or fascism."

The President's desire to parade intellectuals as his allies, and their willingness to be so paraded, has been more apparent than their impact on national affairs. During a visit to Argentina last year, for example, Sr. Echeverria suddenly invited a group of intellectuals to join him. Within 36 hours, more than 100 writers, artists and academics had been flown from Mexico City to Buenos Aires where the Government not only paid their expenses but provided some of its guests with "pocket-money." In Cuba this year, Sr. Echeverria again drew attention to his intellectual travelling companions by telling a Press conference that, "as for our political opponents, we put them on a plane and take them along with us, so they can see what we are doing."

Only a few intellectuals have resisted this strategic boost to ego and bank balance. Sr. Octavio Paz, for example, now believes that "it is vital for intellectuals to remain independent, not only of the state but also of political parties," adding that the commitment of many Latin American intellectuals to the Communist Party had weakened their effectiveness. Writing in the literary monthly, Plural, Sr. Gabriel Zaid noted that dissident opinions are permitted in Mexico "so long as one is prudent enough to express them to a limited audience—in books, literary magazines, the least-read sections of newspapers, and of course at home—which is something, and at least prevents us from going mad."

Political groups still opposed to the regime are particularly bitter at what they feel has been the easy capitulation of many intellectuals. "Now, while peasants are killed, workers are suffering, and active opponents of the regime are repressed, the intellectuals are happily enjoying their freedom of expression," Sr. Heberto Castillo, a mathematics professor who is trying to form a new leftist party, said. "In other words, repression of the masses and freedom for the intellectual elite coexist here to-day."

EUROPEAN NEWS

Juan Carlos still under considerable criticism

BY ROGER MATTHEWS MADRID, Dec. 3.

SPAIN'S KING Juan Carlos has taken three major political initiatives in the past three weeks and all are beginning to turn sour on him. Part of the Madrid Press to-day virtually accused the regime of permitting the Moroccans to pursue a policy of genocide in Spanish Sahara, hostility to the limited terms of the King's "amnesty" is hardening and virtually all political sectors, with the exception of the extreme Right-wing, have denounced his appointment last night of Sr. Torcuato Fernandez-Miranda as President of the Cortes.

Inevitably, the King will face criticism whatever actions he takes, but it seems particularly unfortunate that his three policy decisions so far should have met with such a negative response. Additionally, the issue of the Basque provinces flared again in the early hours of to-day when the para-military Guardia Civil shot dead a young man they claimed was a member of the separatist group ETA.

Although the Spanish Sahara issue has tended to be pushed into the background by the dramatic domestic events of the past fortnight, the present developments in the territory could have a profound significance, especially on military attitudes towards the King and his government.

A Madrid evening newspaper to-night carried a front page report which claimed that Moroccan army units, moving rapidly into the Sahara, had so far "massacred" at least 160 Saharians. Some of them were said to have been executed.

The Spanish Army will effectively have withdrawn from the territory by December 22, leaving the Moroccan Army an even freer hand. And this despite repeated pledges from the Spanish government that the *70,000 indigenous population* would be permitted the right to self-determination.

Whatever the accuracy of the reports published here they will strengthen the hands of those people who claim that the government has callously abandoned the Spanish Sahara and with a little more resolve could have prevented the bloodshed that is now taking place. It also seems that Spain is running into a major UN clash with the African and Third World countries who basically take the same view.

Apart from appointing Sr. Fernandez-Miranda to the Presidency of the Cortes, a post of considerable constitutional power, Juan Carlos seems prepared to allow Sr. Arias Navarro to continue as Prime Minister, at least for the immediate future. The King has not so far accepted the Prime Minister's resignation and Sr. Arias will preside over Friday's Cabinet meeting.

It had been generally believed that the King would have to balance the appointment of Sr. Fernandez-Miranda, who is totally identified with the Franquist Right, by quickly *choosing a more* liberal Prime Minister. If Sr. Arias does stay for more than a few weeks, he will be bound to carry out a major Cabinet reshuffle.

Dutch Socialist leaders said here this morning that what they had seen of Juan Carlos during the past 10 days did not encourage them to believe that he would introduce democracy to Spain.

U.S. to woo Italian Socialist

BY DOMINICK J. COYLE ROME, Dec. 3.

THE FORD Administration in Washington, showing increasing concern over the electoral gains here of the Italian Communist Party, has plans to give a cordial and top-level reception next month to Sig. Francesco de Martino, the Italian Socialist *leader, in the hope of dissuading* his party (PSI) from seeking to reach any national alliance with the Communists.

Sig. de Martino is to visit the U.S. on January 12, and I understand that arrangements are in hand for a meeting between him and Dr. Henry Kissinger, the *Secretary of State, who indicated* in Congressional hearings some weeks ago that the U.S. Administration was concerned over internal political developments in Italy, particularly the considerable Communist Party gains in the June 15 regional elections.

The PSI, too, made some advances in those June elections, and while the Party continues with its broad external support *for the Government of Prime* Minister Aldo Moro, the Socialists have lately stepped up their criticism of the Christian Democrat-dominated coalition, while stopping short of moving to actually bring down the Government.

Sig. de Martino has made it *clear since the June 15 election* that the PSI will not enter any new centre left coalition, at least in advance of new general elections, yet a number of leading European Socialists (including former West German Chancellor, Herr Willy Brandt) are known to have counselled him privately in recent months against attempting to reach an alliance nationally with the Communists.

The "red-carpet" reception *seemingly being prepared in* Washington for Sig. de Martino's forthcoming unofficial visit can be seen as a continuation of this process of encouraging the Italian Socialists towards renewing the centre-Left formula, Albeit after new national elections, in a move to prevent the Communists from realising their "historic compromise," a grand alliance between Communist, Socialist and Catholic parties in Italy.

Portugal crackdown on Leftists continues

By Paul Ellman

LISBON, Dec. 3.

PORTUGAL'S reconstructed military leadership was meeting to-night against the background of a continuing crackdown on the Left, which is now including foreign revolutionaries.

At least nine foreigners, including Brazilians, French, German and Italians, were known to be in custody at Santarem, 45 miles north-east of Lisbon after an arms swoop by police and Republican National Guardsmen.

The foreigners, who, according to some unconfirmed reports could total 15, were held after a raid on a property near Santarem owned by the Far Left League for Union and Revolutionary *Action* (LUAR).

According to an official announcement, among the arms seized were 110 rifles, 19 pistols as well as hand-grenades and ammunition. Twenty Molotov cocktails were said to have been uncovered in a day nursery run by the LUAR.

The capture of the foreigners came amid a continuing hunt for Portuguese army and civilian Leftists associated with last week's rebellion.

How far the purge of the Left should go and the extent to which the military should continue to play an active role in Portugal's political affairs was expected to be the principal item on the agenda as the country's supreme decision-making body, the Revolutionary Council for the Armed Forces Movement, began meeting this evening.

Following the purge of four leading Leftist members of the council for their alleged part in *last week's rebellion, new mem*bers of the council, including the new army Chief of Staff, General Antonio Ramalho Eanes, were expected to start pushing for a lower political profile by the military.

The conservative commander of one of the country's military regions told the Financial Times to-day that he believed that the time had now come to return to barracks and continue the task of restoring military discipline.

The only circumstances in which he could foresee the army playing an active role, he said, were if the forthcoming economic austerity programme unleashed a fresh wave of industrial unrest.

The next phase of the current political situation is expected to produce pressure on the "Group of Nine" officers to accept a diminishment of the military role in politics.

Meanwhile, the sixth provisional government, back in business after the Left's campaign to bring it down, issued a series of decrees including one bringing nine radio stations and the television system into direct State ownership.

The Cabinet voted to set up an imperial public corporation to run Portuguese broadcasting but, because of the concordat with the Vatican, to leave Radio Renascenca in the hands of the hierarchy.

MITTERRAND FOR AIR FIRM

PARIS, Dec. 3.

The French Government to-day appointed Gen. Jacques Mitterrand, former Inspector-General of the French Air Force, as head of the money-losing Aerospatiale Aircraft and Missile Company.

M. Mitterrand, brother of Socialist party leader Francois Mitterrand, will replace Gen. Michel Fourquet, who resigned two months ago in protest against too much government interference. Last month, M. Jacques Mayoux declined to accept the post offered by the government.

AP-DJ

Schmidt visit plan shows Rome energy row is over

BY NICHOLAS COLCHESTER BONN, Dec. 3.

CHANCELLOR Helmut Schmidt of West Germany and his Foreign Minister Hans-Dietrich Genscher, are to travel to Britain early next year to continue what is becoming a regular six-monthly series of discussions with Prime Minister Harold Wilson and Foreign Minister James Callaghan.

Government sources said that the plan had been confirmed during the Rome meeting of the European Council, *suggesting* that the German-British argument over the Paris dialogue had not had too damaging an effect on the relations between the two countries.

Meanwhile, conversations with Government officials here make it plain that Bonn will be likely to react strongly if Britain decides to introduce import controls on motor cars.

Bonn does not feel that the economic summit at Rambouillet gave Mr. Wilson tacit permission to introduce import restrictions. It is equally clear that Bonn would be likely to do no more than "take account" of import *restrictions on shoes, textiles, or* even television tubes, if Britain was to impose them.

Import restrictions on cars would, however, add a new dimension to the matter in Bonn's eyes, for car manufacture is an advanced industry in which West Germany and the EEC are very active.

Coming straight from the German Cabinet meeting, where Chancellor Schmidt reported on the Rome talks, the Government spokesman, Dr. Armin Gruenewald, sought to play down the exchanges that are supposed to have taken place between Herr Schmidt and Mr. Wilson at the summit.

After the German Press had painted a fairly lurid picture of the exchanges this morning, Dr. Gruenewald said the two Premiers had not "screamed *and yelled" at one another*, but that Herr Schmidt had certainly represented "the common interest against national interest."

The German Chancellor had told the Cabinet that he was satisfied with the outcome of the Rome meeting "and in some respects very satisfied." West Germany had drawn particular satisfaction from the decision to install a "finanzkommissar," with power of veto over spending in the European Commission.

Footing 30 per cent. of the Community Bill, West Germany has recently been a strong advocate of an improved system of budgetary control in *the* EEC.

The compromise reached at the Rome Summit on Britain's demand for a separate seat at the forthcoming North-South Conference, has been greeted in Paris with relief mixed with criticism of Mr. Harold Wilson's stubbornness, writes Robert Mauthner.

At the weekly Cabinet meeting to-day, President Giscard d'Estaing expressed particular satisfaction at the role that his brainchild, the European Council, had played in bridging the differences between Britain and its partners.

Any other Community institution would have been incapable of achieving such a result, he said.

The French Press, as a whole, took delight in its favourite role of criticising Britain—a pleasure *which it* has not indulged in for some time. Even the independent Paris paper Le Monde, did not spare the British Prime Minister, noting that Mr. Wilson had thrown in the towel after only one afternoon's combat.

"It is true," Le Monde added blandly, "that he (Mr. Wilson) was making an indefensible demand, since *he wanted his* country to be both inside and outside the Community at the forthcoming North-South Conference.

"He could claim for all he was worth after the meeting that he had obtained what he was asking for, namely the right to speak, *make* Britain's influence felt and draw attention to its particular problems.

Nevertheless, the paper felt that some good had come out of Britain's stubbornness.

Thanks to what it called Mr. Wilson's "excesses" the Community's common energy policy had made more progress in several hours than it had since the creation of the EEC.

European defence warning

BY ROBERT MAUTHNER PARIS, Dec. 3.

Mr. William Rodgers, British Minister of State for Defence, issued a warning here to-day that the European defence industries could become no more than sub-contractors to the U.S. if they did not collaborate more closely.

Speaking at the current meeting of the Western European Union's Assembly, Mr. Rodgers said that this would be unacceptable. It would be equally unacceptable, however, if Europe was not prepared to buy arms from the U.S. and sell to it competitively.

Mr. Rodgers believed that standardisation in defence procurement was vitally important for the industrial unit of Europe, which in turn was essential, if the Europeans were to remain in the technological vanguard.

The aim, therefore, should be the creation of a European defence industry that could join with the U.S. in a "two-way street" in defence procurement and in the expectation of genuine reciprocity.

Proposals to this effect were discussed by Mr. James Schlesinger, the former U.S. Defence Secretary and his opposite numbers in Europe recently.

Mr Rodgers made no direct reference to France's acceptance of the Eurogroup proposal to set up an independent body in which members of the Atlantic Alliance could discuss co-operation of arms production—a move confirmed by officials here at the week-end. But Mr. Rodgers deplored the lack of Europe-wide defence co-operation so far.

Although there were many bilaeralt and trilatoral projects in which Britain was involved, such as the Anglo-French Jaguar strike aircraft, no major projects had yet been agreed on which harnessed the combined skills of France, Germany and the U.K.

FRENCH ARMY DISPUTE GOES TO PARLIAMENT

By Robert Mauthner

PARIS, Dec. 3.

THE DISPUTE over the arrest of 15 French conscripts who had attempted to set up soldiers' trade unions spread to Parliament to-day and led to a lively *clash* between the Prime Minister, M. Jacques Chirac, and Socialist opposition leaders.

M. Chirac, who some days ago accused the Socialists of fomenting the soldiers' protest campaign, was warned by M. Gaston Deferre, Socialist Deputy for Marseilles, that if he continued *his attacks*, the Socialists would use weapons and ammunition against him which he had not even thought of.

M. Deferre did not elaborate on his remarks, but M. Chirac upbraided him for insulting the government. A Socialist demand for an early National Assembly debate on the whole National Service problem was nevertheless accepted in principle by the Defence Minister, M. Yvon Bourges.

Meanwhile, a Leftist group called the Information Movement for Soldiers' Rights said to-day that a dozen officers and *NCOs had joined the protest cam*paign and had signed an appeal calling upon fellow officers to express support for the imprisoned conscripts.

The latter are due to be tried by the State Security Court on charges of "taking part in an attempt to demoralise the army."

Long cod dispute seen

BY OUR OWN CORRESPONDENT REYKJAVIK, Dec. 3.

THE FISHING dispute between Britain and Iceland could well *last a long time, and the pre*requisite for senior-level talks between the two sides has to be a change in the British attitude in which the first step must be withdrawal of its frigates, Iceland Premier Gier Hallgrimsson said to-day.

[Mr. Hallgrimsson was speaking to foreign reporters some hours after one British frigate, HMS Leopard, was withdrawn. However, the Defence Ministry said there were no plans at present to pull the other two navy vessels out of the disputed fishing grounds.]

The Icelandic Prime Minister said Mr. Einar Agustsson, the Foreign Minister, would raise the fishing dispute at the Nato Foreign Ministers' meeting in Brussels next week. At the same time he indicated that Mr. Agustsson's comments last week on Iceland possibly leaving Nato should not be taken too seriously when he said that since Iceland *was to air its grievance at the* Nato talks, it was hardly possible to use a platform and remove it at the same time.

Mr. Hallgrimsson said that he feels the British Government has never really shown a sign of wanting to solve the dispute. "The British Government must *show signs both in practice and* reality." The Icelandic offer of 65,000 tons annual catch for the British trawlers no longer applied—"We will have to start again on a fresh basis."

Meanwhile, a coastguard vessel cut another trawler's wires about 40 miles off the Icelandic east coast last night. Coastguard captain Gunnar Olafsson did the cutting right under the nose of the Royal Navy frigate the Brighton, and in the neighbourhood were three civil support ships and the supply ship the Mirinda, according to coastguard sources.

Row over Community budget

By David Curry

BRUSSELS, Dec. 3.

COMMON Market Treasury Ministers and members of the European Parliament were locked in argument here last night on the size of the 1976 EEC budget.

The Council was trying to reach agreement with Parliament on how much money Parliament could restore to the budget in the face of the cost-cutting priorities of member Governments. The situation was made more complicated by the fact that at midnight the time-limit for the Council to respond to Parliamentary changes to the budget proposals was due to expire.

It seemed possible that the Council might have to adopt the old EEC expedient of stopping the clock if it did not wish to see the full range of Parliamentary additions to the budget automatically come into force.

Parliament had asked for 441m units of account to be added to a budget draft of 7.472bn. units of account agreed by the Council. The real argument was over some 320m. units of account which Parliament wanted adding to the category of non-obligatory expenditure—that is, money devoted to projects which do not flow directly from the founding treaties of the Community.

The Council had already thrown out of court Parliamentary proposals to add some 120m. units of account to obligatory *spending*, mainly in food aid. It also refused to accept Parliament's classification of the regional fund as non-obligatory spending—and hence spending which is more strongly under Parliament's control rather than under the council's thumb—and so turned down the addition of *151m. units of account* sought for the Regional Fund budget.

The effect of these decisions was to reduce the amount essentially at issue to 151m. units of account which Parliament wanted adding to the social fund (70m.), research (41m.) and aid to non-associated developing *countries* (40m.).

Technically, EEC rules allow for Parliament to add to the budget this year only between 67m. and 78m. units of account for non-obligatory programmes. However, the Council was looking for a compromise which would allow Parliament a slightly greater "margin of manoeuvre."

To this end it proposed that Parliament should be allowed to restore around 90m. units of account to allocate as it thought fit to non-obligatory programmes.

The Parliamentary delegation under the President of Parliament, the French Socialist, M. Georges Spenale, quickly rejected this.

NORDIC ECONOMIC UPTURN SEEN

STOCKHOLM, Dec. 3.

Economic activity in the Nordic countries is expected to pick up by mid-1976, although growth rates for Sweden and Finland will stay well below the long-term average, an economic report compiled by the Nordic Federation of Industries says.

Norway's Gross National Product is likely to increase by 7 per cent. next year and Denmark's by 4 per cent.

However, the GNP of Sweden and Finland are expected to rise by only 1 and 1.5 per cent. respectively, indicating a continued under-utilisation of resources, the report says.

Reuter

MR. G. K. YOUNG

Mr. G. K. Young, a director of Kleinwort Benson (Europe SA) was wrongly described in yesterday's edition as a director of Kleinwort Benson.

Soviet grain harvest looks like a disaster

MOSCOW, Dec. 3.

A SENIOR Soviet government official indicated to-day that the 1975 Soviet grain harvest totalled only 137m., the lowest for 18 years and nearly 80m. tonnes below the plan.

The chairman of the Planning and Budgetary Commission of the Supreme Soviet, Mr. Grigori Vashchenko, said average annual grain production over the past five years was 8 per cent. above the mean annual level of 1966 to 1970.

Calculating this against known output for the last nine years, western observers deduced a production figure for this year of 117m. tonnes.

All major grain growing regions of the Soviet Union were affected by drought during the summer, but Western experts had been predicting that production would fall, at the lowest, to some 20m. tonnes above what Mr. Vashchenko indicated was the actual level.

The plan announced in the spring was 215m. tonnes, itself 6bn. tonnes below the all-time Soviet harvest record of 1973 and comparing with 195.7m. tonnes last year.

A figure of 137.2m. tonnes would be the lowest since 1965, when 121.1m. tonnes were gathered.

Mr. Vashchenko's report to the winter session of the Supreme Soviet, the national legislatpre, was the first concrete indicator of the extent of the harvest disaster, which he blamed on "difficult weather conditions in several areas of the country."

The actual figure was reached by taking average annual production for the period 1966 to 1970—167.56m. tonnes—and placing it alongside the total of 767.6m. tonnes of grain known to have been produced over the past four years.

An output this year of 137.2m. tonnes would be needed to bring the five-year average to 8 per cent. above that of the previous five years. Mr. Vashchenko's speech was printed in the Government newspaper Izvestia.

Allowing for some slight rounding-off in Mr. Vashchenko's figure of 8 per cent., observers calculated a possible margin of error of only about 4m. tonnes either way.
Reuter

● David Lascelles writes: If these calculations are correct, the figure of 137m. tons would seem little less than a disaster and the news may have been deliberately presented in oblique fashion to prepare the public for the worst.

Normally, the full harvest figure is announced by a top figure at a ceremonial occasion.

Western observers have been gradually lowering their esti- of the Soviet harvest on the basis of returns from individual republics as they have been published in the past few weeks.

Their latest estimates havereduced the figure 0 to 150m. which, though still at variance with the figure suggested in S Izvestia, is still sufficiently close to give some credence to it.

Editorial comment Page 18

U.S., Russian 'spies' named in newspaper

BY OUR OWN CORRESPONDENT — ATHENS, Dec. 3.

AMERICAN AND Russian intelligence services in Greece, appear to be intent on exposing each other through the medium of an English-language newspaper in Athens.

A week ago, the daily Athens News published a letter signed by an untraceable "Committee of Greeks and Greek-Americans" which listed seven members of the U.S. Embassy staff and military mission in Greece alleging they were CIA agents.

The letter began by saying that "the destructive activities of the CIA toward the Greek people and the wrecking of our democratic freedom" were being continued and that it was the committee's intention to expose some of these activities.

Among those listed by name were Mr. Richard Welch, 46, First Secretary of the American Embassy, whose job, according to the letter, "is to see that the Karamanlis government does not get out of control."

Others listed were Mr. William Lofgren, a political officer of the U.S. Embassy, Mr. James Macwilliams, a junior officer in the Embassy, and four members of the U.S. Military Mission — Mr. Ronald Estes, Mr. John Palavich, Mr. Stephen Winsky, and Mr. William Bright.

The committee hinted darkly that it will also expose Greek-Americans who are involved with the CIA in its activities against Greece.

To-day, wire services in Athens received a mimeographed letter signed by another obscure organisation, entitled: "The Committee to keep Greece Greek" and addressed to Mr. Yannis Horn, publisher of the Athens News.

The letter listed ten alleged KGB agents working in Greece, starting with Mr. Serguei Tokhine, 50, First Secretary of the Soviet Embassy, and described in the letter as the KGB chief in Athens.

Others on the list were Mr. Ivan Pahomov, whose job the letter says is to keep an eye on Greek army activities; Mr. Serguei Rogov, whose job it is to act as a liaison between the KGB and the Greek Communist youth organisation and "is also a specialist at inculcating atheism among our university youth."

Mr. Victor Boiko, Press Officer of the Soviet Embassy, Mr. Gennady Bakanov, Third Secretary of the Embassy, Mr. Ruben Martikian, consul; Mr. Yuri Muraviev, the Sovinflot representative, Mr. Guennady Pivovarov, a cultural attache, Mr. Boris Shegolev, the Sovexportfilm representative, Mr. Vyatcheslev Safronov, the Tass correspondent, were also listed in the letter and alleged to be engaged in various activities with Greek Communist newspapers and youth and labour organisations.

Mr. Horn published the news that he had received the second letter but said he had submitted it to Greek security services to advise him if he should publish it or not.

Political observers here interpreted this mudslinging match between the two intelligence services in Greece as having originated in a Russian attempt to fan the flames of still smouldering resentment in Greece over Washington's attitude in the Cyprus issue.
Reuter

Britons beat me up, claims Russian dancer

By David Lascelles, East European Correspondent

THE Soviet Union yesterday accused the British Home Office of beating up an Armenian folk dancer and trying to force him to stay in Britain when his dance troupe came to London last month. The Foreign Office immediately rejected the claim as "totally at variance with the facts."

The accusation came in a sharply worded article in Literaturnaya Gazetta, the weekly of the Writers' Union apparently based on an interview with the dancer, Suren Arutunyan.

It said that Mr. Arutunyan had been threatened with "liquidation" unless he agreed to apply for asylum at the end of his tour and that he was kidnapped by unknown persons at Heathrow while checking that the troupes' luggage was being loaded.

These persons, the article went on, turned out to be Home Office officials, who forced him to write a statement and then took him to the U.S. Embassy, where he was made to sign an application for asylum in the U.S.

For four days, Arutunyan says, he was then held in a London boarding house, during which time he was interrogated and had his passport removed. Eventually, he managed to find his way to the Soviet Embassy, where officials heard his story and lodged a complaint with the Foreign Office. Arutunyan later returned to the Soviet Union voluntarily.

According to Literaturnaya Gazetta, this was not the first time that Britain had interfered with visiting Soviet citizens. Russian students at Ealing Technical College and a Leningrad engineer had all been approached with offers of "freedom." But, the article concluded, the complete list would be "repulsive."

A Foreign Office spokesman said last night that Arutunyan's story was "totally at variance with the facts of this episode.

"The Soviet Embassy has been informed of the facts in response to their representations, which we have rejected as totally without foundation," he said.

There was, nevertheless, some concern last night about the sharpness of the Russians' attack, which comes at a time when relations are showing rapid improvement and when the Soviet Press as a whole has taken a less hostile attitude towards Britain.

Swiss S. Democrats to stay in coalition

BY JOHN WICKS — ZURICH, Dec. 3.

THE SWISS Social Democratic Party has stated that it is prepared to support the re-election of the existing Federal Council, the country's seven-Minister Cabinet, in its present constitution at the joint Parliamentary session of December 10.

This will mean that the Council will continue to consist of two Social Democratic Ministers, two Liberals, two Christian Democrats and one representative of the Swiss People's Party, a form unaltered since 1959.

Discussions of a possible re-forming of the Federal Council to consist of Social Democrats, Christian Democrats and Independents had arisen after the October general elections in view of the nine-seat gain by the Social Democrats in the National Council and the fact that the Social Democratic Party is in marked disagreement on various policies with the Swiss People's Party and, to a lesser extent, with the Liberals.

Last month, Social Democrat President Helmut Hubacher presented a list of distinctly Left-wing demands for policies to form the basis of the Federal Council's programme for the next four years, which fuelled speculations as to a "red-and-black" coalition.

The four Cabinet parties have, in fact, been unable to agree on a policy platform for the 1975/79 period, though a policy aims programme is not essential for the forming of a coalition.

The parties, who disagree particularly on matters of financial and economic policy, are to hold regular contact discussions over the coming years—although the Social Democrats have expressed their opinion that "open competition" between the coalition partners could contribute to an enlivenment of Switzerland's political climate."

On the economic front, the Swiss recession is likely to continue in a milder form than at present throughout the first few months of 1976, according to a study published by the Union Bank of Switzerland.

Chilly winds are blowing in Eastern Europe. The Russians have been told that growth rates must fall—now it is the turn of the Poles. **David Lascelles** reports

A time for hard work

MILLIONS of Poles should have an answer this time next week to a question that has kept them speculating for months: is Mr. Gierek going to raise prices in the shops?

On Monday the ruling United Workers' Party begins its five-yearly Congress and one of the main items on the agenda is the price freeze imposed by Mr. Edward Gierek when he was swept to power after the workers' riots of 1970 and subsequently twice extended to keep up labour morale.

Prices are only a small part of the heavy volume of business confronting the Congress and since the freeze has not prevented them from rising anyway by an officially-admitted 3 per cent. a year (an unofficial 5 per cent.), it is not as though its abolition would burn too large holes in the Polish consumers pockets.

Furthermore, the rapid 40 per cent. rise in wages permitted by Mr. Gierek since 1971 has unbalanced the internal market to the extent that it is not the cost of items, so much as their scarcity that bothers most Poles. Greatly improved though the shops have been in the past five years, Polish housewives who are honest with themselves would probably prefer to have fewer spare zlotys in their handbags and more goods on the shelves.

But prices have become a focus for popular emotion at a time when Poland is widely expected to slip down a couple of gears economically, with a resulting deceleration in the improvement of living standards. Strong though the economic arguments are for a good round of price increases affecting such sensitive items as meat, Mr. Gierek may not feel able to act quite so toughly.

The course of action he chooses will be a reliable indication of how secure he feels politically. Though there is no sign of his position being under threat, the popular reaction to tough measures could, as a Polish economist told me in Warsaw last months, be "*nye positivni*."

If it is hostile, Mr. Gierek might well be justified in accusing the people of ingratitude. His dynamic investment policies have rejuvenated the economy with a large dose of new technology and equipment, much of it purchased in the West. Living standards have notched up their sharpest rise since the war.

Much of this, however, was done on credit and by rewarding the workforce with high wages and imported goods before they had really earned them. This was part of a pledge Mr. Gierek made on coming to power: the Government would make the first move to get Poland going again so long as the people kept their side of the bargain and worked harder.

The time for this extra effort has arrived. The foreign debt, according to the Economic Commission for Europe, is now equivalent to last year's total exports of $6.75bn., and internal tensions, like the gap between supply and demand and wages and productivity, are growing.

Mr. Gierek's difficulties have been aggravated by bad luck. Adverse weather conditions have hit agriculture; supplies of meat and sugar, both valuable exports, have dropped, while a poor harvest has necessitated extra high imports of grain from the hard currency area.

In addition, the Western recession has damaged Poland's terms of trade; the value of exports has not kept pace with the inflated cost of imports, and prospects for sales in the west have not been the best.

Urgent though a sharp rise in productivity has become, a great amount of enthusiasm in the Polish labour force cannot be detected. Even the party appears to admit this in its Congress Guidelines, a document published in October outlining progress since 1971 and the main targets for the next five years.

One of its most strongly-worded passages speaks of "loafing, shirking, absenteeism, slack and sloppy work, ignoring one's duties on the job and alcoholism" and adds: "A considerable upswing in productivity will be required if the rate of national income growth planned for 1976-80 is to be achieved."

But even if Mr. Gierek manages to win the response he is seeking, he has avoided making rash promises about the next five years. The Guidelines suggest that in that period wages will rise at less than half the 1971-75 rate and industrial production will grow more slowly. Foreign trade, particularly imports, should be lower, too.

Looked at coldly, these targets point to a realistic scaling down of growth rates from the high levels achieved since 1971. Mr. Gierek has asked the people not to be discouraged by them, but to regard them as minimum targets.

Mr. Gierek has conspicuously avoided saying anything about prices beyond making general remarks on the need to rationalise consumption patterns and preserve real incomes. But he appears to be under pressure from government quarters to raise them.

The Finance Minister, Mr. Henryk Kisiel, told the Financial Times he favoured a policy of controlled inflation because, as well as relieving tensions, this would allow natural forces to shape the economy.

The trade unions, on the other hand are taking an active stand against rises and are confident that they form a sufficient counterweight to what they see as unwelcome technocratic tendencies in government.

Others believe that labour will register its disenchantment with a drop in productivity, which would be economically damaging, but at least peaceful.

A combination of price and wage rises would as a side effect, devalue personal savings, an extra political consideration of some importance since millions of Poles are saving up for the day when cars and other luxuries pour on to the market. They even save for houses, which can be traded privately.

Hard-pressed though Mr. Gierek might appear, there is no sign of weakening of his personal position—if anything, the opposite, is the case.

His administration has shown a healthy level of self-confidence by allowing Poles comparatively free access to foreign travel and the western Press.

As a result, city-dwellers display a strong awareness of the western way of life and values, but it does not appear to have undermined official ideology. If anything, it is the western-type technocratic attitudes of the Government which are blamed for Mr. Gierek's disappointing failure to stimulate a richer cultural life for Poland.

There can be no doubt that he will be re-elected for another five years, even though he is believed to be personally opposed to long tenures in office. For this reason, there may be some substance in suggestions that he will withdraw into a more aloof post, possibly President, and leave day-to-day affairs to fresh talent.

OVERSEAS NEWS

Israeli bombing raid condemned

BY OUR FOREIGN STAFF

BITTER Arab reaction to the death toll from Tuesday's Israeli air raids on the Lebanon grew yesterday with demands from both Egypt and Lebanon for an urgent meeting of the UN Security Council.

In a strongly worded statement, Mr. Ismail Fahmi, the Egyptian Foreign Minister, described the raids on Palestinian camps as "a violation in spirit of the disengagement agreements on both the Syrian and Egyptian fronts."

He called for an immediate meeting of the Security Council to adopt "firm and deterrent measures against the barbaric Israeli agression." Informed sources said that Egypt believed *that the bombings seriously* undermined the peace momentum in the Middle East. Mr. Fahmi demanded the inclusion of the Palestinian Liberation Organisation in the council debate.

The Lebanese call for Security Council consideration was announced by Prime Minister Rashid Karami after a Cabinet meeting at which President Franjieh condemned the attack as "a defiance of the United Nations."

Mr. Karami told reporters that measures for stronger Lebanese resistance against future raids were discussed, but he gave no details.

In New York Britain's chief delegate, Mr. Ivor Richard, began private consultations in his capacity as Security Council *President for December to* follow up Lebanon's and Egypt's request. The Council is not expected to meet before to-day, in spite of the urgency of the requests.

The principal problem is Egypt's insistence that the PLO should take part in the debate. Most of the Council members agreed last Sunday that the PLO should be invited to take part in a Middle East debate in January, but Western powers, including Britain and the U.S., had strong reservations. The Egyptian move makes the issue an immediate one.

However, in Tel Aviv the Israeli Foreign Ministry repeated its vow not to take part in any peace conference or UN debate to which the PLO was invited. A statement said that Israel would not deal with a "terrorist organisation" whose declared policy was "the destruction of Israel."

Ihsan Hijazi writes from Beirut: The death toll in yesterday's Israeli air strike against Palestinian camps and several villages in the north and south *of* Lebanon has risen to 91 according to a body count undertaken late last night.

Government and Palestinian sources said to-day that more people were believed to be still buried under the debris of some 70 houses destroyed in the raid at the Nabatiyeh camp in the South, and the Nahr al Bared and Bedawi camps near the northern port of Tripoli. These were the main targets in the 60-minute attack by 30 Israeli Phantom and Skyhawk fighter bombers.

The number of wounded was given at well over 150.

Reuter adds from Washington: The United States to-day said that yesterday's Israeli air raids on Palestinian camps in Lebanon were not conducive to peace in the Middle East.

AP-DJ adds: Egypt will claim more than $2.1bn. from Israel in compensation for its exploitation of Sinai oil during the past eight years, Oil Minister Ahmed Hilal announced to-day.

Settlements row looms

BY L. DANIEL — TEL AVIV, Dec. 3.

CONSIDERABLE controversy has been aroused here by the Israel Government's go-ahead for the establishment of four new settlements on the Golan Heights. The criticism focusses partly on the timing of the decision, and partly on the approval as such, which is regarded by those to the left of the Labour Party as unhelpful to the cause of peace.

On the other hand, as Syria has announced that Damascus will not conclude another interim *agreement with Israel* (let alone a peace treaty) and that the U.N. forces' mandate on the Golan Heights will not be extended indefinitely, the majority of the Labour alignment agree that the *Israeli* presence on the Heights should be strengthened.

ISRAEL AFTER THE GOLAN AGREEMENT

A doubt about U.S. help

BY TOM ACKERMAN, IN TEL AVIV

PRESSURES ARE building up on Israel much more quickly than the political leadership appeared to expect, at least judging by the public pronouncements following the renewal on November 30 of the U.N. Policing mandate on the *Golan Heights*.

That the deadline would probably pass without serious recourse by Syria to military threat had been taken for granted by many, and in retrospect the *threat was more apparent than* real. But the sober assessment of a wide Israeli consensus is that a shrewd Syrian bluff in the Security Council last Sunday served the United States handily to exert indirect pressure on her recalcitrant Israeli ally.

Whether that analysis is accurate can be gauged more reliably when the Minister of Defence, Mr. Simon Peres, arrives in Washington later this week to hear his new counterpart, Mr. Donald Rumsfeld, and Dr. Henry Kissinger, an old patron-adversary, detail the progress *of deliveries of U.S.* weapons. These come under Washington's commitments dating from the interim agreement package on Sinai made in September.

The Israelis have been grumbling about the pace of future supply, still unsure where the technical hitches end and the subtle political pressures begin. Following the departure of Mr. Rumsfeld's predecessor, Dr. James Schlesinger, whose running rivalry with Dr. Kissinger was said to have been partly responsible for the hold-ups, the Israelis should be getting a clearer idea of how deliveries will go.

Soon after January 1 the Foreign Minister, Mr. Yigal Allon, will arrive at the State Department for what are being described as talks to co-ordinate fully the joint Israeli-American position in advance of the Security Council debate on the Middle East on January 12. By the end of the month, the atmosphere should be set for Prime Minister Yitzhak Rabin himself, who had put off his planned meetings with President Ford until after the Golan mandate had been renewed for another six months.

To judge from Mr. Ford's personal message of assuagement to Mr. Rabin this week, the U.S. refusal to veto the presumed invitation to the Palestine Liberation Organisation to address the Council does not presage any substantive change in Washington's stance on the Palestinian issue. An American veto can still be expected to prevent any resolution giving the PLO a *negotiating seat at Geneva or any* other forum, on the grounds that the PLO still refuses to recognise Israel or abide by the terms of past UN motions determining *the framework* of a Middle East peace.

Yet Mr. Ford's language was clear enough in intimating that the American assent to an ostensibly procedural question in the UN was dictated not only by the paramount *consideration of* preserving the interim agreement with Syria, but also by a determination not to allow a continued diplomatic stalemate.

To the Israelis, then, American *policy in the Security Council*, though distinct from its stout defence of Zionism in the General Assembly, has become a last-resort instrument to extract concessions from Jerusalem that would *not* otherwise be readily attainable now.

That is not at all how Mr. Rabin and his principal advisers pictured the scenario that was to follow the Sinai settlement. The Israelis' understanding had been that, with their withdrawal from the strategic *mountain* passes and the oilfields, quiet on the Egyptian front was assured *for* at least two years, while the very achievement of a separate agreement left Syria and the Soviets in the *diplomatic cold* and in irreparable schism with Cairo.

As to the prospects of a subsequent deal with Syria, the men in Damascus had largely quashed the need to strain *Israeli* domestic opinion unduly over territorial concessions. Syria's refusal to accept American mediation or any interim arrangement—inevitably limited to "*cosmetic*" adjustments of the Golan truce line—neatly relieved Israel of the responsibility for quick movement.

To be sure, an amalgam of hawks and doves within the Cabinet, together with their more vociferous spokesmen in the Knesset, had foreseen the pitfalls of Dr. Kissinger's step-by-step approach and the likelihood of more pressure on Israel before too long. But in the face of the explicit and implied American threats during last summer's negotiations, Mr. Rabin's arguments for a "piece of territory against a piece of peace" prevailed in the end.

From opposite ideological poles within the Labour Party, however, Mr. Abba Eban and General Moshe Dayan, Mr. Rabin's two *most* formidable backbench antagonists, have again been urging a broad-gauged peace approach now, whereby Egypt and Syria together could be offered a programme of maximum Israeli withdrawals in exchange for a declared cessation of the state of war.

Yet their inability jointly to specify the extent of that territorial sacrifice, particularly in the case of the Golan Heights, illustrates the persisting depth *of disagreement over final peace* frontiers. The dilemma is worse in the case of the West Bank, where the Government's more measured approach toward settlement is being sorely tried by militants of the Religious Party, and of the members of the coalition.

Mr. Rabin's most immediate domestic problem, however, is that corollary to the West Bank in question, the Palestinian issue. Here again, on a topic that the Prime Minister often predicted would remain the least urgent in the list of priorities, he has been proved wrong by events.

Four to five of his Ministers intend to table at an early Cabinet meeting a proposal that Mr. Rabin vehemently rejected a year ago: that, for purposes of its external image at the least, Israel formally declare its readiness to negotiate with Jordan or any Palestinian Arab group which announces its recognition of Israel.

Those Ministers argue that while this new *formula* may be nothing but a more palatable semantic version of prevailing policy, it would serve to put the PLO in a more intransigent light. This is reinforced by the persist*ing belief throughout* the establishment that the PLO as a body remains committed to its protracted challenge of Israel's right to exist.

Yet if Israel is dealt another *surprise*, and the PLO comes through, either at the UN debate or in the near future, with an announcement of its acceptance of at least the reality and permanence of a Jewish State, then *Washington's* inevitable insistence on a fundamental reassessment here will be very hard to withstand.

Pathet Lao complete takeover

By Kevin Rafferty

THE COMMUNIST Pathet Lao yesterday completed its takeover of the landlocked country of of Laos by abolishing the monarchy, getting rid of the coalition Government and declaring the new "Lao People's Democratic Republic."

Vientiane Radio announced the moves as the outcome of "a national congress of people's representatives" which had been convened "in response to the aspirations of the Lao people throughout the country." Laos will now have a president as Head of State, but his name has not yet been disclosed. The announcements were made in the name of the *People's* Revolutionary Committee, the political wing of the Pathet Lao.

The Pathet Lao has been in effective control for some months, but the fiction of the *coalition Government* established by the peace accords of 19 months ago had been preserved until yesterday.

Agencies add: The United States will continue to maintain its *diplomatic relations* with Laos despite the Communist Pathet Lao overthrow of the monarchy and the coalition Government, the State Department in Washington said to-day.

In Baweede, Thai Prime Minister Kukrit Pramoj said to-day that political changes in Laos were internal matters that would not affect Thailand.

PRO-INDONESIAN FORCES NEAR DILI

JAKARTA, Dec. 3.

PRO-INDONESIAN forces have advanced to within 12 miles of the Portuguese East Timor capital of Dili, the Government radio reported here to-day.

The radio said several posts around Aileu, south of Dili, had been captured from left-wing Fretilin forces, which last week unilaterally declared the territory independent from Portugal. Reuter

Japanese rail strike ends

BY PETER DUMINY — TOKYO, Dec. 3.

JAPAN'S striking railwaymen to-day called off their illegal strike two days earlier than planned. Train services, which have been suspended throughout the country since November 26, are expected to be back to normal to-morrow after what amounts to an abject climb down by the public service unions, striking for the "right to strike."

The stoppage quickly developed into a political trial of strength between union leaders, anxious to redeem themselves in the eyes of their rank and file, and the governing Liberal Democratic Party.

Much to the amazement of the unions, the Government not only refused to yield any ground worth mentioning, but apparently also got the better of the propaganda war both sides waged for public sympathy. Clear acknowledgement that people had grown disgruntled after a week without commuter trains (and resulting gross overcrowding of subways, most of which were not affected), is contained in to-day's announcement by the unions that they are returning to work "to heed public criticism with humility."

The Council of Public Corporation and Government Enterprise Workers' Unions (*Kokokyo*) also said it had decided to conserve its strength for next spring's wage offensive. This reverses the strategy announced last week-end when the railwaymen, who have been supported by intermittent interruptions of postal and other services, decided to escalate their industrial action by omitting to restore services for a short "breather period" at the beginning of the week. It was then that they declared Japan would have its longest-ever rail strike, a continuous 10 days ending at midnight on Friday.

The Government has agreed to permit Parliamentary debates on the right-to-strike issue, but few people will see this as providing the unions with a face-saving formula.

MPLA bringing up heavy guns

BY JANE BERGEROL — GABELA, Dec. 3.

FORCES of the Luanda-based Popular Movement for the Liberation of Angola (MPLA) are evolving a new strategy for fighting the mercenary-led forces of the National Front for the Liberation of Angola and the National Union for the Total Independence of Angola (FNLA/Unita) by using a combination of conventional heavy artillery bombardment and guerilla operations behind the front lines.

Here on the southern front the brunt of confrontation is in heavy artillery fire against FNLA/Unita positions strung along the hilltops overlooking the southern bank of the river Queve, some 30 miles south of here. The "front" is about 100 miles wide, from the coast to Massanqo.

East of here, however, the FNLA have occupied Santa Comba north of the river and have also taken back the nearby town of Cela. The two towns command the main route to Huambo (Nova Lisboa), the FNLA/Unita capital.

MPLA artillery, brought from *Luanda since independence three* weeks ago, has repeatedly during the past week beaten back attempts by FNLA/Unita forces to establish forward positions down in the river valley. Several attempts by South African armoured cars and scout cars—painted yellow for use in the desert of southwest Africa—have been immobilised by MPLA artillery, while a South African reconnaisance aircraft leading an armoured column down to the river near Ebo, 60 miles south-east of here, was shot down by MPLA forces. Loss of the aircraft and its three occupants was confirmed by Pretoria, who did not, however, give its real position.

Along the entire length of the southern front, which I visited during the past six days, there is evidence of high morale among MPLA forces and of efficient organisation. MPLA troops appear well-armed and have smart uniforms. They are being regrouped in transit camps and moved to the front in troop transports, while some are undergoing intensive training from Cuban instructors in the use of the new heavy artillery. There are regular deliveries of diesel fuel and petrol and the airport at Porto Amboim is functioning normally.

Guerillas escaping from FNLA/Unita-held territory to the MPLA are reforming and returning with evident eagerness to the front. Women soldiers are being integrated into mixed units.

Behind the front lines peasants are stolidly working their fields, often within range of FNLA-Unita artillery, while local militia are receiving intensive training to form guerilla units.

India plans takeover of Caltex

BY K. K. SHARMA — NEW DELHI, Dec. 3.

THE INDIAN Government plans to tak over the Caltex 1.25m.-tonne refinery and marketing network in the country, on the pattern of the recent Burmah Shell deal.

Talks between the Indian *Ministry of Petroleum and* Chemicals and a Caltex team from New York are to begin soon.

The Ministry has completed its study of the data provided to it by Caltex, and it is expected that negotiations on the compensation to be paid will take two *months.*

HOME NEWS

Chrysler U.K. on Cabinet agenda for to-day

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

GOVERNMENT policy on the future of Chrysler U.K. will be one of the items on the agenda at to-day's Cabinet meeting following the return of Mr. John Riccardo, Chrysler Corporation chairman, for what are expected to be his final round of talks with Mr. Eric Varley, Industry Secretary.

It did not seem at all certain last night that the Government would make a policy statement on Chrysler to Parliament to-day, despite some opinions in Westminster that it must reach a decision this week. Although Chrysler U.K. has been "led to expect" an announcement, this was not considered likely in Whitehall last night.

Mr. Riccardo, who arrived in London from a visit to Chrysler's French subsidiary yesterday, is expected to see Mr. Varley this morning. This will be their fourth meeting since Mr. Riccardo precipitated the crisis by suggesting that the U.S. parent company wanted to withdraw from Britain.

The talks to-day are expected to concentrate mainly on the question of the future of Chrysler's 7,000-man Linwood plant in Scotland, which the Government wants to save, and the cost that while running down the rest of Chrysler's business.

The Government still appears to be pressing Chrysler Corporation for a greater financial commitment, even if the American company goes ahead with its decision to leave Britain. Once the deal with Chrysler has been agreed, it is expected that the State-owned British Leyland, and possibly the other motor companies, will be brought into discussions on what can be salvaged from Chrysler U.K.'s Midland car and truck plants.

Fresh accusations were levelled yesterday against Chrysler U.K.'s sales policies in Europe by M. Gommaire Peeters, president of the Association of Chrysler Dealers, Belgium. He said that the decision to raise the price of its best-selling car, the Sunbeam 1600, by 13 per cent. next year, has led to a number of cancellations, and that there was constant late delivery of cars from Chrysler U.K.

But M. Gommaire rejected the accusation that Chrysler Corporation was pushing Simca cars in Belgium at the expense of British-made models.

He supported the views of Mr. John Day, head of Chrysler France, who has said that the European sales organisation "was enthusiastic to increase U.K. car sales for which real opportunity exists."

However, Mr. Day also complained about "irregular supply, failure to respect export order programmes, and onerous price increases."

Shell Chemicals sees need for new rises

BY RHYS DAVID

SHELL CHEMICALS is expecting to apply to te Price Commission for a further price increase later this month to recoup some of the extra costs imposed by the latest 10 per cent. rise in the OPEC oil price.

The application which follows closely on a 5-15 per cent. rise authorised by the Price Commission in October, was necessary, Mr. P. B. Baxendell a director of Shell Transport told financial analysts in London, to bring margins "back into the positive column."

He said, however, that in the presnt buyer's market for most chemicals there was no certainty all the necessary price increases could be made, and he warned that this could have implications for future investment plans. As an example, polypropylene prices would have to rise to about 20 per cent. before new investment could begin to be justified.

Mr. Baxendell said petrochemical plants in the U.K. had been working at only 60 per cent. capacity during 1975, but a slight improvement in overall volumes towards the end of the third quarter had been noticed. It was still too early, however, to state whether this represented a basic upturn of merely and end to customers' destocking.

A somewhat brighter picture on the world chemicals scene was also pointed to by Sir Frank McFadzean, chairman of Shell Transport who said figures for the third quarter showed that sales volumes were up 5-10 per cent., with evidence too that prices were hardening. Shell hemical companies were reporting price increases of 10-15 per cent. over a wide range of chemicals and plastics and these prices appeared to be holding.

Mr. Baxendell also drew attention to Shell's continued doubts over Government plans to take a 51 per cent. stake in North Sea oil operations.

He said the question of a fair split of the eventual profits between government and the licencees had been adequately dealt with by new tax provisions and further ne controls had become available to the Government through the Petroleum and Submarine Pielines Act.

The onl ypossible justification or majorit parfticiation in existing licences must be as an exercise in olitical ublic relationsp. be cplaimed.

Buchan Field well tests show low oil flow rate

RAY DAFTER, ENERGY CORRESPONDENT

RECENT TESTS on Buchan Field; a newly-named North Sea find on block 21/1, have proved disappointing.

Consequently, the Transworld exploration group is to drill another well next spring before deciding on a production programme.

A third well on the find, east of the Moray Firth and 35 miles north-west of BP's Forties Field produced a flow rates averaging about 500 barrels a day. This was a far cry from the first two wells which produced at rates up to 2,177 barrels a day on one and 7,492 barrels a day on another.

The latest test was made on the eastern flank of the reservoir. An oil saturated section was found in over 550 ft. of low permeability sandstone. The test indicated that the Transworld group has discovered a comparatively compact reservoir.

The group said last night that the test had not dampened Transworld's enthusiasm. Recent industry reports suggest that recoverable reserves could be around 500m barrels, about the size of Alwyn Field and slightly bigger than Thistle.

The field, named after the nearest landfall area in Scotland, comprises an encouraging oil column of more than 1,500 ft. A decision may well be taken next summer on development plans.

It is not known at this stage whether the Transworld group will install a conventional production platform or use the latest sub-sea production technique. It is also not sure whether the oil would be piped ashore or transported by tanker from an off-shore mooring to the land terminal.

Interests in the Transworld group are: CCP North Sea Associates, 21½ per cent.; Gas and Oil Acreage, 7½ per cent.; Norminol (U.K.) (and Lochiel Exploration) 14 per cent.; St. Joe Minerals Corporation, 14 per cent.; Candel Oil (93 per cent. owned by St. Joe) 14 per cent.; City Investing, 28 per cent.; and Apexco Inc., 14 per cent.

European investors 'can benefit from Canada's resources policy'

EUROPEAN INVESTORS were urged yesterday to participate in an upgrading of Canada's industrial structure as a stable source of resources for industry in the EEC.

Mr. Paul Martin, Canadian High Commissioner in the U.K., argued that the new Canadian Government policy of encouraging greater processing of raw materials before export from Canada need not necessarily be harmful to the interests of European manufacturers.

He said in Manchester: "You may well be apprehensive that this Canadian policy directive will cut across your bows in a way which hurts your own interest.

"This may be the case sometimes. But we feel that in a number of respects, both you and we can benefit from the successful implementation of our resources upgrading policy."

New approaches were required to accommodate increased energy costs, protection of the environment and security of supply of raw materials, he continued.

"The development in Canada of an industrial structure geared to supply the Community with its resource needs, but in further processed form, would be one way of lessening the impact of these problems on all the European economies," Mr. Martin suggested.

"In any event, the object of this policy is not to deprive customers of the raw materials they have traditionally imported from Canada. We are serving notice, however, that as additional capacity is needed, particularly in the early stages of production, we expect that this refining capacity should be added in Canada."

The resources upgrading policy was necessary to maintain growth in job creation

Canadian policies must continue to ensure a flow of investment high enough to encourage continuing economic development. The review of foreign investment was intended only to determine whether it was likely to be of benefit to Canada.

East Anglia trade route 'would aid Europe links'

BY PETER CARTWRIGHT, MIDLANDS CORRESPONDENT

BUILDING a high-grade road "trade route" from the Midlands to the Haven Ports in East Anglia would be a major contribution to European integration, Mr. Eldon Griffiths, Conservative MP for Bury St. Edmunds, told a Cambridge conference yesterday.

More than 50 heads of industrial organisations, local authorities, companies and ports representatives from Felixstowe, Ipswich and Harwich, were pressing for a 1982 completion date.

Mr. John Evelyn, chief executive of Ipswich Port Authority, pointed out that the Haven Ports were the U.K.'s top container port complex, whose total annual cargoes equalled Liverpool's in value and which was fast catching up on Dover in throughput of passenger cars.

Sir Stan Yapp, leader of the West Midlands Country Council, thought it would be nearly 1990 before the necessary road links with Midlands and other industry were completed, despite the fact that the East Coast ports were opposite the world's largest deepwater complex, Rotterdam/Europort.

AA diversifies into insurance

BY ERIC SHORT

THE AUTOMOBILE ASSOCIATION has launched a new comprehensive insurance broking service that will also be available to non-members. It will provide all the normal insurance broking facilities, individual and corporate, including life, household, shop, office, factory, premises and livestock.

This is the latest move in the diversification of AA activities beyond its traditional field.

The AA has operated what can be described as an insurance advice service for members dealing primarily with motor insurance. It has designed several packages to cover, motor, travel, camping and other allied needs for members and arranging the insurances.

Last week it announced its Homesure policy, a complete householder insurance package. In January, it opened its first broking office at New Malden, but this was very much a pilot scheme. Its success has given the go-ahead for offering a country-wide insurance broking service.

The AA insurance broking division is not yet a member of any professional organisation, but it hopes shortly to become a member of the Corporation of Insurance Brokers. This is important as the Government intends to bring some form of licensing and registration of insurance brokers. The AA can place business with Lloyd's through an associated Lloyd's broker.

The AA's own insurance packages will still be available to AA members only. Non-members seeking motor insurance, for example, can use this broking service, but the AA will arrange for policies through the usual market channels.

Scotch production falls again

FINANCIAL TIMES REPORTER

FOR THE THIRD successive quarter this year, production of whisky in Scotland was reduced in July-September compared with the same period last year, according to official figures released by Customs and Excise.

These show that total output of new whisky in the quarter fell by 32 per cent. to 27,331,000 proof gallons. Malt whisky production was the most severely hit, and was cut by 34.5 per cent. to 11,309,000 proof gallons. Grain whisky output fell by 30.3 per cent. to 16,022,000 proof gallons.

Following the reduction in the first half-year's output, the amount of whisky made in Scotland in the first nine months of the year, compared with the same period of last year, was down 19 per cent., to 109,072,000 proof gallons. In this period, grain whisky suffered the more severe cut and was reduced by 20.9 per cent. to 59,380,000 proof gallons, though malt whisky output was also severely hit and fell by 16.5 per cent. to 49,692,000 proof gallons.

Scotch whisky production in the distilling year—from October to September—for 1974-75 was also down compared with the previous distilling year. In the latest such year the total made dropped by 15.6 per cent. to 157,550,000 proof gallons, grain whisky being again the hardest hit and falling by 19.3 per cent. to 84,813,000 proof gallons while malt whisky output fell back by 10.8 per cent. to 72,737,000 proof gallons.

Scotland air excursion cut to £25

By Michael Donne,

BRITISH CALEDONIAN Airways is to introduce this week-end on flights between London (Gatwick) and Glasgow/Edinburgh a new cheap instant purchase excursion (IPEX) fare of £25 return. Between London and Manchester the fare will be £20 return.

This will compare with the existing normal London-Glasgow return fare of £44, and the existing cheapest off-peak excursion return rate of £32.

The £25 return will only be available on BCAL flights during week-ends, although they will be bookable from 2 p.m. on Fridays.

The IPEX fares are the first to undercut British Airways fares from Heathrow to Glasgow. BCAL says it is at present prevented from introducing other discount fares on the Scottish trunk routes because BA has appealed against such fares.

NEB appoints regional director

THE NATIONAL Enterprise Board has appointed the first of two regional directors intended to scout out investment opportunities and handle relations with subsidiary companies in the north of England.

The latest appointment, a director for the North West, is Mr. Arthur William Ward, an executive of considerable experience in the textile industry and currently regional industrial director for the Department of Industry in the North West.

Mr. Ward, 46, who had been group services director of Carrington Viyella before joining the Industry Department, will be based in Liverpool and will join the NEB on January 1.

A candidate for a similar post, that of director for the north, based in Newcastle, is being sought by the Board, the announcement added yesterday.

Soviet merchant fleet growth worries owners

BY JOHN WYLES, SHIPPING CORRESPONDENT

FRESH WARNINGS of the threat to Western shipowners posed by the fast-growing Soviet merchant navy fleet are published to-day in a new directory of roll-on roll-off vessels.

Information drawn together in the "Westinform Directory of Ro-Ro Vessels" underpins the mounting demands in Western Europe for Government pressures on the Russions to end a price-cutting policy which is stealing business away from shipping lines operating well-established conference services.

This loss of trade is sufficiently serious to have prompted an approach to the British Government by shipowners worried about the potential scale of the Russian incursion.

According to Westinform, the Russians will have the third largest roll-on roll-off fleet by the end of 1977. Ships under construction for the USSR amount to 31 per cent. of world new buildings. This points to an increase in the Russian share of the world's total cargo roll-on roll-off tonnage from 2 per cent. to 10 per cent. in just 2½ years.

According to its researches the biggest roll-on roll-off fleet is operated under the Japanese flag operated under the Japanese flag.

"Westinform Directory of Ro-Ro Vessels." Price £30 obtainable from The Westinform Service, 9, Cork Street, London W.1.

Laporte denies charge of neglecting plant

LAPORTE, the chemical manufacturer, failed to maintain part of its plant in a safe condition, an East London court was told yesterday.

Mr. John Fallaize, for the Health and Safety Inspectorate, told magistrates at Stratford that evidence indicating possible trouble was available several days before an explosion which killed one worker in April.

Laporte pleaded not guilty to failing to maintain the plant safely.

The explosion was in the Electrolytor plant—one of only three such pieces of equipment in Britain which splits water into hydrogen and oxygen.

Experts would be called to show how important it was to keep the hydrogen and the oxygen apart, said Mr. Fallaize.

The case is expected to last two days.

Still some problems with Court Line refunds

BY ARTHUR SANDLES

PROBLEMS raised over the "pipeline" money left after the Court Line collapse last year remain unsolved, in spite of a long meeting yesterday of the Association of British Travel Agents' retail council. However, it does seem that passengers involved in "pipeline" situations with Clarksons will be repaid in January.

The "pipeline" money was cash paid by travellers to travel agents for Court Line companies Clarksons and Halcyon (Horizon) holidays. The money had not been paid to the companies at the time of the collapse and produced an argument over true ownership—did it belong to passenger or the tour operators' liquidators?

A compromise solution meant that agents were to let an independent accountant have details of the cash held, so that it could be partly given to the liquidators and partly back to the customers, with support from the Air Travel Reserve Fund.

In fact the agents have been sluggish in giving details.

IN BRIEF

Mail hold-up

Christmas mail to Canada from abroad is unlikely to be delivered in time because the Canadian Post Office is initially restoring only domestic mail services following the end of the postal workers' strike.

CAP failing

The Common Agricutural Policy of the EEC is failing in some respects in "its basic aim to provide adequate supplies of food at reasonable prices," according to Mr. Anthony Dumont, chairman of the EEC Consumers' Consultative Committee and deputy chairman of the Consumers' Association.

HP car deals

Hire purchase deals in new and second hand cars dipped sharply last month in line with the fall in registrations. There were 15,000 (20,000) deals in new cars and 48,000 (56,000) in used vehicles.

Demolition warning

Demolition companies face prosecution unless workmen wear breathing apparatus when dealing with pipes and girders protected by blue asbestos, a common feature in old buildings, warned Mr. Arthur Grimsey, HM Superintending Inspector of Factories for the Midlands.

Tourism up

U.K. tourism to Canada was up 8 per cent. in the first nine months of the year, although there were fewer tourists overall in the country.

Communications

Celtic Sea oil rig communications worth more than £100,000 become operational this week at the Post Office's coast station at Ilfracombe, North Devon.

Foreign recruitment 'may cause executive shortage'

BY ROY LEVINE

BRITAIN HAS become the world's top hunting ground for technical and professional executives, according to Mr. Garry Long, director of international operations of the management selection agency, MSL, who warned that there could be a crippling shortage of such staff in the U.K. during the next few years.

Speaking in London yesterday, Mr. Long said: "The popularity of the U.K. as an executive recruitment source for other countries arises from the fact that it offers a plentiful supply of low-cost but highly trained executives, many of whom are onlyy too eager to take up overseas appointments.

"While it is good that the world should benefit from British executive talent, we should beware of dangerously depleting our own executive resources which will be required for the industrial regeneration of the U.K. over the next few years."

The present brain drain was different to the experience in the late 1960s in two respects, he added. Firstly, while the main demand then was from the U.S., it was now from countries in the Middle East, West and South Africa.

Secondly, a lot of executives lost to the U.K. in the earlier period were engaged in research and development, whereas the overseas demand to-day was for executives involved in construction and engineering projects.

As an indication of the extent of the present brain drain, he said that while there was no precise measure of the total outflow, a third of the income from MSL's own U.K. operations was derived from the export of executives.

Some countries, like Canada, had a low intake of U.K. managers into their home based offices, even though an increasing number of their companies with operations in the Third World countries were using the U.K. as their recruiting ground for staffing overseas projects.

"In one sense, it is a great compliment to this country that we are regarded as a rich storehouse of high-quality executives. But in international terms many of these executives are available at highly competitive salary levels and we run the risk of our storehouse being ransacked to the extent that we could suffer executive starvation at home," he said.

U.K. man-made fibre output up sharply

BY RHYS DAVID, TEXTILES CORRESPONDENT

MAN-MADE FIBRE output in Britain showed a substantial increase in October from the very low levels in August and September to reach the highest montnly total since July last year.

Figures published yesterday by the British Man Made Fibres Federation put total output for the month at 55.11m. kg.—a 10 per cent. increase on the September figure of only 46.33m. kg. and an even bigger increase on the 40.77m. kg. recorded in the holiday month of August.

In October last year, when output was affected both by the beginnings of the recession and by a major strike, production came to 50.71m. kg.

But although the figures are a welcome indicator of a higher level of activity within the industry, the big producers were yesterday treating them with some caution.

'Too early'

According to ICI it is too early to say on the basis of one month's figures whether the higher output reflected simply a refilling of of depleted stocks and advance ordering in anticipation of price increase, or whether they represented a return to genuinely higher demand.

ICI, which like most other fibre producers in Europe will make a substantial loss this year on its fibre business, is still operating it U.K. plants at around 75 per cent. capacity. The company has been unable to implement price increases on a number of fibre lines for which Price Commission approval has been granted.

The BMMF also points out that the higher output in October may not be maintained during the rest of the year. A drop in November is expected when the figures are published as a result of Courtauld's decision to close a major viscose staple unit in North Wales for two months from the middle of the month as a result of weakened demand.

In the first ten months of 1975, man-made fibre production was down 15 per cent. on the same period last year, with the reduction being balanced fairly evenly between filament yarn and staple fibre.

However, further evidence of the continued strong revival in demand for fibres in the U.S. is shown in figures published in the bulletin Textile Organon. Shipments of filament yarn in the third quarter of 1975 totalled 876m. lbs., compared with 824m. lbs. in the second quarter and a low of only 573m. lbs. in the fourth quarter last year.

Glaxo asks older staff to retire

Financial Times Reporter

GLAXO LABORATORIES is to lay off 100 temporary staff and offer early retirement to workers aged between 55 and 65 at its Barnard Castle, Co. Durham, plant.

The company, which employs 1,500 in Teesdale, said another 40 workers may be down-graded and have to take a cut in pay.

Meetings have been held with union shop stewards to discuss manning levels and the transfer of some workers to different departments.

"We believe that the terms that we are offering to those who wish to retire early are favourable and that the response we get will be sufficient without resorting to lay-offs," said the company.

New post for Lloyd's chief

Mr. Ivor Binney, chairman of Lloyd's Insurance brokers' association, has been invited to join the Committee on Invisible Exports. This is the first direct representation of Lloyd's brokers on the committee.

Mr. Binney said the invitation "reflects the great contribution made by Lloyd's brokers to the overseas earnings of the U.K."

Ezra call for EEC plan on coal's role

BY ROY HODSON

THE EUROPEAN COMMUNITY must begin to plan now for the new role that coal will be called on to play in the closing years of this century, Sir Derek Ezra, chairman of the National Coal Board, urged last night. Taking as his theme Coal and Energy in Europe he was giving the 1975 Sir Alfred Herbert Paper to the Institution of Production Engineers in London.

Individual coal producers and coal producers' associations were already exchanging research information on a massive scale and in a co-ordinated fashion. There was now an international network of contacts for that purpose.

But it was necessary for the producers' foresight to be given the encouragement and assistance of individual Governments and the Community itself.

Sir Derek, who is president of CEPCEO—the association of Community coal producers—said that a great deal of work had been done and was still being done to lay the foundations for a sensible energy structure for Europe, based on a long term view of prices, requirements and supplies.

But there was a danger, he warned, that in the present rather uneasy period of relative slackness in the market, there would be a temptation to revert to earlier short-term attitudes.

"In my view it would be a great mistake to change the energy strategy as at present defined and being developed, or to slow down the work on it," he said. Indeed it would be highly dangerous to do so.

There was no real reason to suppose that the oil producing countries would change the policies that they so successfully applied in October 1973 of reducing supplies and increasing prices.

It was essential to maintain continuity and momentum in pursuing the development of an energy strategy that would protect Europe as much as possible from the effects of the political instability and manoeuvering of the oil producing countries.

Peter Cartwright, Midlands correspondent, writes: With new and advanced techniques being developed to turn coal into an even more valuable chemical feedstock, a whole new vista was opening out for the industry, declared Mr. Alex Eadie, Parliamentary Under-Secretary of State for Energy, yesterday.

Although North Sea oil was the story on everyone's lips, the fact was gradually dawning that coal was the fuel of the future, even though that seemed paradoxical at a time when demand was 10 per cent. lower than last year.

But coal had more going for it than at any time this century, as was evidenced by the new international commitment to research and development.

The U.K. was a world leader in coal research and exciting projects, such as fluidised bed combustion, which would lead to more efficient coal burning at power stations, were coming to the country.

Mr. Eadie, who had just visited Ellistown Colliery in Leicestershire, disclosed that this year alone the South Midlands area would be receiving £11.7m. of the £600m. being ploughed into the industry in the next decade.

Minister freezes stake in Darjeeling Holdings

BY KEITH LEWIS, CITY STAFF

The 28 per cent. stake in Darjeeling Holdings held by Fireball, a company registered in the Isle of Man, has been effectively frozen. Mr. Peter Shore, Secretary of State for Trade, has made this unusual move under powers in Section 174 of the Companies Act 1948.

The direction includes restrictions on the transfer of the shares and the voting rights attached to them. Furthermore no payments due on those shares, either by way of capital or dividends, will be made except on liquidation of the company.

Mr. Shore appointed Mr. P. J. Millett and Mr. I. M. Bowie, to investigate the affairs of Darjeeling Holdings last July. Mr. Shore's action follows the inspectors' failure to establish the identity of the beneficial controller of Fireball.

Darjeeling sold its old tea estates in 1974 and has re-invested the proceeds in the leisure and offshore oil industries. The registered office of Darjeeling is now Gwrych Castle in North Wales.

More SE turnover details next year

By Michael Lafferty

The Stock Exchange is to publish more detailed turnover figures from the beginning of 1976.

The Council has decided to release monthly turnover figures classified according to the main groupings in the FT Actuaries Index.

The new data will be derived from an analysis of bargains reported to the Central Checking Service which operates in London only. It will probably be about 18 months before turnover by country brokers can be included. The eventual intention is to extend the service to all quoted securities.

Average value

The new turnover figures will show the number of bargains and their value together with the average value for each of the main groupings in the Actuaries Index, except that certain groups where only a small number of securities are listed will be combined with others.

The compilation of the figures will be as from January 2, 1976, and the first monthly figures will probably appear on February 4, covering the month of January.

Air and shipbuilding committees will plan integration

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

WITH ITS success on the second reading of the Aircraft and Shipbuilding Industries Nationalisation Bill, the Government is now free to set up the two organising committees for those industries which the earlier consultation documents had on nationalisation.

The committees will be responsible for planning the integration of the companies involved in the State take-over into the two new corporations, British Aerospace and British Shipbuilders. In the case of aerospace, the companies are British Aircraft Corporation, Hawker Siddeley Aviation, Hawker Siddeley Dynamics and Scottish Aviation.

The aim will be to ensure that once the Bill has received Royal Assent—the Government hopes next spring or early summer—the take-over can be pressed ahead without undue delay.

The Government is expected to press on with its efforts to set up the organising bodies, despite the attacks on the Bill expected during the forthcoming Committee Stage in the Commons when the Conservatives are expected to give it a rough ride.

The Opposition still believes that it is possible to kill the Bill but in any event strong efforts will be made to modify some of its clauses—especially to improve compensation terms and eliminate the freedom for "creeping nationalisation" that in its present form it gives the Government.

So far as the organising committee for the aerospace industry is concerned, the Government may find it difficult to get the men of the calibre it needs.

John Wyles, Shipping correspondent writes: In contrast to the aircraft industry, Britain's shipbuilders are expected to give full co-operation to their organising committee. While maintaining their opposition to nationalisation, shipbuilders are willing to serve on the committee in order to influence the structure and reorganisation which it will eventually recommend.

Officially, the Shipbuilders and Repairers National Association is opposed to any move to "over-centralise" the activities of the newly nationalised industry, but leaders of one or two major companies are sceptical about future prospects if yards are allowed to retain a considerable degree of autonomy.

Speculation is increasing about the Government's choice of chairman of the shipbuilding organisation committee. Several names are being canvassed from within the industry and its main trade unions, but feeling is hardening that the Government is on the brink of naming someone not directly involved in shipbuilding, but whose background has put him in touch with its problems.

Catherwood launches export drive to cut unemployment

BY OUR SHEFFIELD CORRESPONDENT

INCREASED EXPORTS can bridge the £2bn. balance of payments gap, and cut unemployment in Britain, Sir Frederick Catherwood, chairman of the British Overseas Trade Board, said yesterday, launching a major export campaign in Sheffield.

The campaign, to be backed up by a series of Royal visits, will eventually cover all areas of Britain. Apart from offering detailed help to exporting companies, it is also aimed at publicising companies which are selling abroad successfully.

At yesterday's launch, Sir Frederick said he hoped the major exporters—90 local companies will be at to-day's opening conference—would be able to boost overseas sales by at least 10 per cent.

What the Government could do to tackle Britain's balance of payments problem was strictly limited, he said. But this gap could be closed by a boost in export earnings.

More Home News Page 23

Improved exports could also reduce unemployment in the U.K. and bring the prospect of higher pay for our workers. It was important that trade unions and the men on the shop floor realised how employment was now tied to export successes.

It was difficult, he said, to see how unemployment rates could be reduced unless this export drive was successful.

To-day, more than 250 local executives and trade union officials will hear detailed case studies from five local companies on their export achievements. These concerns range from a heavy engineering group to a cutlery company and a liquorice sweet manufacturer.

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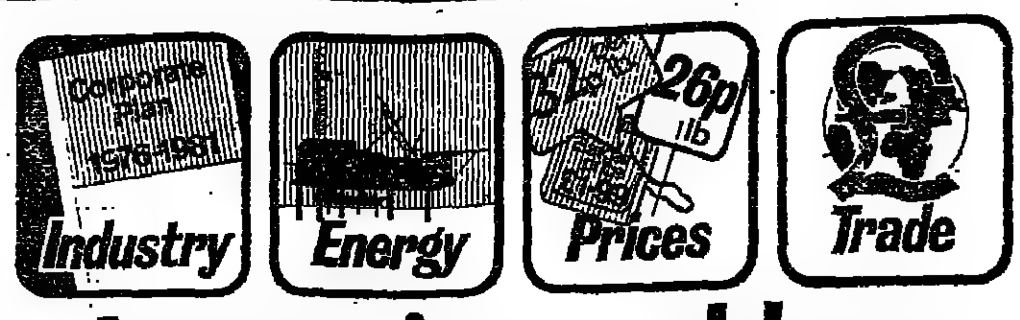

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The Housing Act 1974 requires the Corporation to control and monitor the performance of housing associations. We are now looking for an accountant to develop and control this important operation. The successful applicant will report direct to the Chief Finance Officer and will be responsible for the programme of monitoring systems: advising housing associations on their financial management: training and generally providing expertise to improve the performance of registered housing associations. The Senior Finance Officer will co-ordinate these *functions through the Corporation's regional* offices.

Applicants should be qualified accountants with post qualification experience at a senior level in either the public or private sector. They should possess considerable drive and the other personal qualities to effectively lead and inspire others working in the housing association *movement.*

Excellent conditions of service include a superannuation scheme transferrable within the public service, and *removal* expenses may be payable.

Write with full details of yourself and of your career to date to: Assistant Secretary (Ref. E2). The Housing Corporation, Sloane Square House, London SW1W 8NT.

HC The Housing Corporation

YOUNG ACCOUNTANT

Group Headquarters

The Bowater Building Products Group offers a young accountant the opportunity to gain experience in the small headquarters financial team before moving to a senior line post in one of the operating units as the opportunity arises. Initially, as one of the three people reporting to the Financial Controller, the new executive will carry out a wide variety of tasks including Group cash control and management and financial accounting for several of the operating units, and will spend a large proportion of time on special assignments and investigations.

The requirement is for a qualified accountant, in the mid 20's, preferably with some industrial or commercial experience already, and with the capacity for rapid personal development within an expanding business environment.

Salary by negotiation.

Please apply in strict confidence, quoting reference number 1652, to Clive & Stokes, 14 Bolton Street, London W1Y 8JL.

Clive&Stokes
Appointments & Personnel Consultants

WEMBLEY STADIUM

CHIEF ACCOUNTANT

Not less than £5,500

Wembley Stadium Limited wishes to fill a new position of Chief Accountant for its activities at the Empire Stadium, the Empire Pool and Sports Arena, the *Wembley Squash Centre* and the Wembley Conference Centre. The Chief Accountant will report to *the Managing Director* and be responsible for formulating financial policy and monitoring financial performance: producing management information on cash flow and budgets, forecasting capital needs and organising their financing, and supervising the work of an established Accounts Department with 9 staff.

The position calls for a qualified accountant—chartered or certified—with experience at senior level of financial control work, and the personal qualities to become a member *of the senior management team.* Age is not critical, but candidates under 30 would be unlikely to have acquired the necessary experience.

Salary will be not less than £5,500 together with pension and life assurance arrangements.

Please apply, giving details of qualification and experience to the Managing Director,
WEMBLEY STADIUM LIMITED,
Empire Stadium, Wembley,
Middlesex, HA9 0DW.

International Operations

The Company, part of a large, diversified, successful Group, wishes to expand its international operations to exploit divisional manufacturing capacity and take advantage of world markets.

The Company has excellent product, technical and financial resources. It now seeks someone who, reporting to the Financial Director, will advise the Board on the practical realities of expansion in terms of financial, legal, taxation, partnership, acquisition, licensing and Government controls.

Candidates aged at least 30 must have had significant experience in these areas. A financial or legal background would be an advantage; a language facility, preferably French or Spanish, is essential, as is a willingness to travel world wide.

The man appointed will have the opportunity of influencinj the pattern of development and profitability of the Company, and of concomitant career growth.

This is a new appointment, and the salary will reflect the importance attaching to it.

Please realy enclosing Curriculum Vitae indicating present salary and stating how these requirements are met, quoting reference 463/FT.

CB-Linnell Limited
8 Oxford Street, Nottingham
SELECTION CONSULTANTS
LONDON : NOTTINGHAM

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at up to £5,000

Fine career opening for newly qualified A.C.A., A.C.C.A., etc., now exists at the London headquarters of a world-wide organisation involved with international shipping. Initial functions will cover financial and management accounting, foreign currency and allied matters in preparation for future management role.

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at around £4,000

Fine career opening at well known, international Bank Group for an intelligent man or woman with a few years sound banking experience embracing *Credit Analysis & Current Financial Research* techniques and supported by a strong, personal business acumen. The immediate function involves close liaison with a variety of South American *companies for which good,* conversational Spanish would be essential. Plenty of genuine prospects for personal development.

For further details ring: Joanna Knight, Executive Consultant.

CHALLONERS
TOP APPOINTMENTS DIVISION
19/23 Oxford Street, London W1. 01-437 9030

We are the headquarters of a successful multinational company, located in Brussels. Because of our continuing growth we require for our internal auditing department a qualified

senior auditor

We are looking for a man with about 2-3 years experience in external or internal operational audit. The function involves extensive travel. We offer a real career opportunity with a good salary and extra benefits.

Apply in writing indicating salary requirements to B. Meeuwis, Employment Supervisor, Brabantstraat 62, B-1030 Brussels.

Wrangler

ACCOUNTANTS

CITY

£4,000-£5,000

We have been retained by an international organisation to advise on the appointment of newly qualified and qualifying accountants for their City based Head Office.

Preferably aged 25-35 the successful candidates will initially be given exposure to a wide range of financial, management accounting, foreign currency and allied operations in preparation for line management. Excellent conditions in a secure environment make this an *opportunity for personal career* development.

Please contact A. Innes,
Laurie & Company,
145 Oxford Street, London W.1.
Tel: 01-734 6111

GENERAL APPOINTMENTS

Wellcome

Taxation Accountant

The Wellcome Foundation Ltd. is a leading ethical pharmaceutical company in the U.K. with subsidiaries throughout the world. A taxation specialist is required who will report directly to the Group Finance Director located at the Group Head Office near Euston. This is a new appointment for which it is essential that the person selected can work both on his own initiative and in conjunction with the Group's taxation advisers. Candidates should be qualified accountants with experience, either in the profession or in commerce, in the taxation matters of a group with international interests. An awareness of appropriate Bank of England requirements and procedures is essential. Salary according to qualifications and experience, good conditions of employment, relocation assistance where appropriate and a generous pension scheme.

Please forward applications to: P. K. Brewin, Group Personnel Director, The Wellcome Foundation Limited, The Wellcome Building, 183 Euston Road, London NW1 2BP.

Antony Gibbs
(Personal Financial Planning) Ltd.

requires **Consultants,** 35 to 55, with experience in stockbroking or unit trust management for appointment to its Branch in the City of London. Vacancies also exist at other Branches in the U.K.

Responsible to the Branch Manager they will advise clients on the management of their investment portfolios and personal tax strategies–with help from resident tax planners. Investment advice will centre on managed funds and syndication of money into private 'in-house' vehicles. Previous experience in advising private clients essential–professional qualification an advantage.

Salary at least £7,000 per annum–first-class pension scheme–generous car allowance etc.

Please send curriculum vitae to:
David Foster, F.C.A.,
ANTONY GIBBS (PERSONAL FINANCIAL PLANNING) LTD.,
Alderman's House, Alderman's Walk,
London EC2M 3TQ.

CHIEF ACCOUNTANT

Surrey **around £6,000**

PYE RECORDS (SALES) LTD, a subsidiary of Associated Television Corporation Limited, seeks a qualified accountant at its main premises at Mitcham. The Company produces, manufactures and markets records for itself and third parties. The Chief Accountant will be responsible for all accounting on a turnover exceeding £10M with in-house computer support and scope for development in budgetary control and costing systems.

Candidates should ideally be qualified accountants aged 27 to 35 with relevant commercial or industrial experience including EDP exposure and staff management ability. Prospects in the parent group are extremely wide.

For a fuller job description, write to John Courtis and Partners at 78 Wigmore Street, London W1H 9DQ, indicating briefly your relevance and quoting reference 750/FT.

JC&P

LAKE DISTRICT

FINANCIAL CONTROLLER

£7,500 (minimum) + Car

We require a Financial Controller to run our accounts department, responsible for group accounting covering our UK companies and subsidiaries in U.S.A. and Europe. The position requires the ability to implement and improve systems and controls, and participate in the management decisions of the Company, with emphasis on forward financial planning, covering such areas as cash resources, tax planning, overseas investment decisions and analysis and diversification plans.

The Financial Controller will report to the Board of Directors.
We are a successful international company with worldwide sales of proprietary effluent treatment and chemical engineering equipment, and have plans for a period of growth lasting for several years.

If you are under 45, can handle the variations of day to day routine, together with involvement in taking important decisions, have the ability to work with an existing young and enthusiastic team, who have brought the Company to its present strong position, we should like to hear from you.

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Kendal,
Cumbria
Telephone: Kendal (0539) 24232
Telex: 65145
MASS TRANSFER LIMITED.

GENERAL APPOINTMENTS

Leading Continental Bank requires for its well established London branch

CHIEF DEALER

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First class London dealing experience essential to qualify applicant for five-figure salary. Good prospects for promotion to management. Usual fringe benefits offered.

Apply, in strictest confidence, to:
Box A.5332, Financial Times,
10, Cannon Street EC4P 4BY.

THE FINANCIAL MAIL, SOUTH AFRICA

There are openings for senior journalists on The Financial Mail, South Africa's leading business weekly.

Applicants should write or telephone Bruce Andrews,
c/o THE FINANCIAL TIMES,
BRACKEN HOUSE,
CANNON STREET, LONDON
EC4P 4BY;
telephone 01-248 8000, ext. 335.

The Editor of The Financial Mail will be available for interviews in London in mid-January.

UNIVERSITY OF THE WITWATERSRAND, JOHANNESBURG. SOUTH AFRICA

GRADUATE SCHOOL OF BUSINESS ADMINISTRATION

DIRECTOR

Applications are invited for appointment as Director of the Graduate School of Business Administration.

The Selection Committee will pay special attention to:—
(1) business experience at executive level;
(2) a proven record of organisational and administrative ability;
(3) academic standing.

The salary will be open to negotiations and will depend on the qualifications and experience of the successful applicant. A suitable entertainment allowance is attached to the post. A limited amount of remunerated private consulting work will be permitted.

The successful applicant will be required to assume duty on a date to be negotiated, preferably on the 1st July, 1976 but not later than 1st January, 1977.

The University's policy is not to discriminate in the appointment of staff or the selection of students on the grounds of sex, race, religion or colour. Further particulars relating to this practice are included in the information sheet relating to this post which is obtainable from the London Representative, University of the Witwatersrand, 278 High Holborn, London, W.C.1. Applications should be lodged with the Registrar, University of the Witwatersrand, Jan Smuts Avenue, Johannesburg 2001, South Africa, not later than 15th March, 1976.

LOUGHBOROUGH UNIVERSITY OF TECHNOLOGY

CHAIR IN MONEY AND BANKING

Applications are invited for a CHAIR in MONEY and BANKING in the University's Department of Economics. Candidates should have good academic qualifications in economics and considerable experience in relevant fields.

Salary within professorial range. Application forms and further particulars from Assistant Registrar (Establishment) ref. 75/45EN. Candidates wishing to discuss the appointment informally should write to Professor Dennis Swann, Head of Department of Economics.

Loughborough *Leicestershire*

NATIONAL ENTERPRISE BOARD

Director for the North

Applications are invited for the post of Director for the North, to take charge of an office which the National Enterprise Board will shortly be setting up in Newcastle.

The Director for the North will be a senior member of the staff of the NEB reporting direct to the Chairman and Chief Executive. His field of responsibility will cover the NEB's dealings with companies and public bodies based wholly or predominantly in the Northern Region, which comprises the counties of Cleveland, Cumbria, Durham, Northumberland, Tyne and Wear. He will be expected to seek out worthwhile proposals for industrial investment by the NEB, to appraise them and submit them to the Board, to negotiate terms (with expert help as necessary) and to secure the efficient management of the companies in which investments have been made.

In his Region he will be expected to explain the NEB's policies generally and to maintain liaison with other bodies concerned with industrial investment in the Region in both the public and private sectors. Applications are sought from candidates of high calibre with industrial and/or financial experience at a senior level. Salary is negotiable according to age and experience.

Applicants should send brief career and personal details to the Secretary, National Enterprise Board, 12/18 Grosvenor Gardens, London SW1W 0DW, by Tuesday 23 December 1975.

SPECIALIZED CONSORTIUM BANK
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LOCATED IN PARIS
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YOUNG INTERNATIONAL BANKER

- with experience in financial analysis, and in structuring, analysing with legal counsel, and syndicating both Euroloan and Eurobond transactions. Work in energy would be a plus.
- Applicants must be fluent in English and French. Other languages will be appreciated.

Compensation will be negociable according to experience and qualifications.

Please, write with full details to...
No E 11226 CONTESSE PUBLICITE, 20, avenue de l'Opéra, 75040 PARIS CEDEX 01, who will forward.

- Applications will be held in strictest confidence.

The Rainbird Publishing Group Ltd advertise what may well be one of the most exciting editorial jobs in Reference Book Publishing.

The Board of Rainbird are looking for a

Special Projects Editor

In the reference book field. The successful candidate will be expected to:

- Initiate large-scale or multi-volume projects mainly for non-trade outlets;
- Control these projects from the moment of conception to their completion and publication;
- Identify himself or herself with every stage: pre-editorial, editorial, design, production, marketing etc.

Applications for this unique appointment and opportunity are being sought from inside as well as outside the firm. Please apply, in confidence, with full details stating present salary to David Herbert, Managing Director, The Rainbird Publishing Group Ltd, 44 Edgware Road, London W2.

Director

Corporation of Insurance Brokers

The Corporation of Insurance Brokers is the most influential body within the insurance broking industry. Its member firms range from small but highly qualified companies in all parts of the United Kingdom to large City brokers with substantial overseas interests. Members of the C.I.B. are responsible for the majority of the industrial and commercial insurance in the United Kingdom and for bringing over £1 billion of overseas premium income into the London market each year.

The Director has two main responsibilities:
i) to advise the Officers and Council on political and economic factors likely to affect the insurance broking industry, both at home and overseas.
ii) to direct the Corporation's activities in presenting the insurance brokers' point of view to Government, industry, other City institutions and the press. The industry's relationship with the European Economic Community is of particular importance.

The position requires a person of exceptional character and ability to foresee trends and changes in public opinion which concern insurance broking. A detailed knowledge of insurance is not essential provided that the person has the ability to understand and interpret the insurance broking point of view.

The Director is assisted by an experienced and well-qualified staff which provides a high standard of advisory service in the fields of technical insurance, administrative and legal matters to the Corporation's member firms.

The appointment carries a substantial five-figure salary. Applications, which will be treated in the strictest confidence, should be addressed to:– The President, The Corporation of Insurance Brokers, 15 St. Helen's Place, London E.C.3., and marked: Appointment of Director.

CIB The Corporation of Insurance Brokers

Deputy Managing Director

Cheltenham

Walker Crosweller and Co. Ltd., a member of the Building Products Division of Reed International, want to recruit a Deputy Managing Director to be based at their factory in Cheltenham. By technical innovation and vigorous marketing Walker Crosweller have built up a leading position in the field of thermostatic mixing valves and allied products. They have an enviable record of growth both in the UK and overseas.

The Deputy Managing Director will have responsibility within the Company for sales direction and will be expected to devise and implement policies that will ensure the continued growth of the Company. He will provide the leadership and be responsible for the sales organisation, both home and export, including six overseas subsidiaries.

Applications are invited from executives experienced in the marketing of engineering products to the construction industry. The ideal candidate will probably be a graduate engineer in his early 40's who can demonstrate a logical career growth through the marketing discipline. He will be cost conscious and will be used to working to modern financial management techniques.

A comprehensive remuneration package will be offered and the Company will assist with relocation costs.

Applications should be addressed to: D. G. T. Travis, Personnel Director, Reed Building Products Ltd., Aylesford, Maidstone, Kent ME20 7PJ.

Building Products Division

Nationwide Building Society

Nationwide Building Society, a leading financial institution throughout the United Kingdom with assets in excess of £1800 million, is seeking an assistant for

INVESTMENT ACCOUNTING/ CASH MANAGEMENT

within its Head Office Finance Division in Holborn.

The successful candidate will assist in cash flow budgeting and providing accounting and management services on liquid funds which now exceed £400 million.

The interesting range of duties will appeal to those with experience in these fields.

Commencing salary in the region of £3,000 per annum. Fringe benefits include generous house purchase terms.

Applications, giving details of age, experience and salary expectations should be sent to:—

Assistant General Manager (Personnel)
Nationwide Building Society
New Oxford House
High Holborn
London WC1V 6PW

CHIEF DEALER

FOREIGN EXCHANGE

A chief dealer is required for the London Office of Iran's largest commercial Bank.

Candidates must have several years experience covering all aspects of the foreign exchange market and at least two years as a chief dealer or deputy. Salary to be negotiated.

Applications, with curriculum vitae, to:

The London Manager,
BANK SADERAT IRAN,
Plantation House,
Fenchurch Street,
London, EC3M 3DX.

New Concern Manufacturing First Known and Proven range of Bacterial Agents For
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seeks

CHIEF EXECUTIVE AND MARKETING DIRECTOR

for its Dublin Based Operations

Candidates should have extensive marketing experience at Directorial level in EEC countries and Middle East—Africa, together with experience in establishing Distributorships and their administration. French and other languages valuable. Must be willing to transfer to Dublin and undertake extensive foreign travel. Age probably 35-45. Availability early 1976. Salary in £10,000 range; usual perquisites and possible share participation to right candidate.

Reply in full confidence to:—
Jeremy L. C. Cook (FT)
c/o Stunt and Sons
130 Wood Street
London EC2V 6DN

Eurobond Dealer

Our client is a leading London Accepting House which, though not a 'market maker', transacts a substantial volume of business for managed Funds, Institutional and Private Clients and is also active in New Issues.

The Bank is looking for an Assistant Eurobond Dealer to join their small team reporting to the Chief Bond Dealer. He will need to have had several years experience, preferably dealing in bonds or foreign securities. Foreign exchange dealing experience or a working knowledge of the U.K. Gilt-Edge and debenture market could be acceptable.

The starting salary will be negotiable and will not be a constraint to the appointment of the right person; in addition there are some very attractive fringe benefits.

Please write, giving full but concise details of your age, qualifications and career history to date, stating the name of any organisation to whom your letter may not be sent, to:

Brian M. Doyle, Selection Consultant (Ref 667).

Whites
Whites Recruitment Limited
72 Fleet Street, London EC4Y 1JS
Offices/Associates: Amsterdam, Bristol, Brussels, Dusseldorf, Leeds, Manchester and Wolverhampton.

MIDDLE EAST ASSOCIATE

A major U.S. financial institution, which operates in every phase of investment banking, requires a Middle East Associate to develop and expand the firm's business in the Middle East.

Reporting to the Managing Director of the London office the successful candidate must become fully conversant with the wide range of investment banking services and securities that the firm has to offer and be adept at quickly understanding the actual and potential needs of relevant financial institutions. He will travel widely throughout the Middle East and be able to communicate opportunities in the market as and where they develop. He should be young, bright, aggressive, educated in Europe or North America and with a thorough understanding of the U.S. capital markets and corporate finance generally. Several years experience with a banking company and a knowledge of the Middle Eastern environment, together with high level contacts, are required, and he should be proficient in French with the ability to speak Arabic a distinct plus.

A most attractive compensation package, with excellent fringe benefits, is offered.

Please reply, with full career details, in strictest confidence to: Box A.5343, Financial Times, 10, Cannon Street, EC4P 4BY.

Indonesia

SENIOR PROJECT ANALYST

With Indonesian Development Finance Company to advise and assist in preparation of appropriate operational and administrative manuals and in recruitment of staff, development of in-training facilities and to provide staff training; to advise and assist within framework of IDFC's operations, Indonesian entrepreneurs in identification, formulation and preparation of viable developmental projects and also to help Indonesian investors on these matters for the promotion and development of joint ventures. Applicants preferably over 30 years should have not only requisite academic and technical knowledge but also relevant operational experience as a development banker: experience essential in banking, accountancy and economics, particularly project appraisal and financial management. Appointment 2-3 years.

Salary to be arranged, plus variable tax free overseas allowance in range £880-£1,990 pa.

Other benefits include free family passages, paid leave, children's education allowances and free accommodation and medical attention. All emoluments paid by the British Government. Applicants should be citizens of the United Kingdom.

For further information and application form please apply giving age, and brief details of qualifications and experience to:—

Appointments Officer, Room E301,
Ministry of Overseas Development
Eland House, Stag Place,
LONDON SW1E 5DH

GRACE

The European Headquarters for chemical operations of a leading American corporation is looking for a

LAWYER/ATTORNEY

The assignment carries broad responsibility and includes handling the legal aspects of European business transactions, the preparation of contracts, the maintenance of the European legal files, and liaison with the Corporate Legal Department in New York.

We need a well trained lawyer with knowledge of both European and American law and business practices. Experience in legal department of a European Company Headquarter or with an international law firm would be an asset.

We offer a challenging position to a qualified candidate, together with an attractive compensation package.

Please apply to:
GRACE INDUSTRIAL CHEMICALS, INC.,
Vice President—Industrial Relations
P.O. Box 2872, CH-1002 Lausanne Tel. (021) 20.44.71

GENERAL APPOINTMENTS
ALSO APPEAR TO-DAY ON
PAGE 23

The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● ENERGY

Burning fuels of very low quality

ONE OF the most impressive characteristics of the large prototype fluidised bed boiler installation at the Babcock and Wilcox Research Centre in Renfrew is the ease with which it can be controlled.

Ranking with this, at a time when energy is costing more and more, is the way in which it allows practically all the combustible matter in a variety of fuels to be burned and a very large fraction of the energy thus released to be extracted with minimal losses.

Able to operate satisfactorily on "coal" with an ash content as high as 60/80 per cent., the fluidised bed will also burn colliery tailings, natural and other gases, bituminous residues and a series of carbon-containing products which, so far, have hardly been considered as potential fuels. This includes municipal wastes.

Such flexibility goes hand in hand with an extremely simple answer to sulphur dioxide pollution problems. This is to add crushed limestone to the injected fuel to act as an absorbent medium, eliminating enough of the unwanted gases to satisfy most stringent anti-pollution regulations.

Clean emissions are an important aspect of the equipment since, in Britain, legislation imposing far stricter rules on sulphur dioxide and oxides of nitrogen release is expected in the not too distant future. The capital cost of a fluidised bed steam raiser would be somewhat lower than that of the equivalent conventional equipment. Operating cost, because of the blower power needed to fluidise the bed, could be slightly higher. But if users of conventional plant have to add smoke cleaning equipment post-facto, their capital and operating costs will be much higher.

Pollution problems apart, the physical characteristics of the burner to a large extent define its controllability and its effects on the environment. The coal or other fuel is blown into the bed, which consists almost entirely of a fine free-flowing ash. Bed height is easily regulated by bleeding off some of the ash. Heat transfer rates are five to ten times those attainable by conventional means and the embedded steam pipes keep the bed temperature down to below clinkering levels and around optimum absorption levels for the limestone/sulphur reaction. Start-up is fast and takes place by injecting and igniting fuel oil.

Fluidised bed burners for large central stations may take some ten years to develop. But Babcock will be able within two to four months to offer standard package deals for steam raising with or without local power production using a back pressure turbine design by Stal-Laval. Two commercial offers have already been made.

The Renfrew prototype is capable of delivering 20,000 lbs of process steam per hour and could be run in association with a 2.5MW turbine.

All the foregoing relates to atmospheric pressure burners. High pressure fluidised beds are under study as a means of producing hot gas for turbine propulsion—the only way of using solid fuels for this purpose and one which is likely to be feasible in the near term.

Babcock and Wilcox Power and Process Engineering Group, 165, Great Dover Street, London SE1 (01-407 8383).

Plant uses waste heat

WHEN A new electrical alternator plant built by Petbow at Sandwich in Kent comes into action later in the winter it will be self-sufficient in electricity and heat, with estimated savings of about £15,000 a year and the added advantage of a "working showroom" for the company's diesel generator products.

Three 400 kW diesel sets from the company's standard range are to be utilised, one of which is a standby. They will supply electricity during the winter months; during the summer, and at night, the supply will be taken from the mains.

The energy savings will result from the extraction of heat from three sources: the engine heat via a water jacket heat exchanger; the engine exhaust heat via another exchanger; and further heat resulting from testing alternators in the factory. The alternators are driven by electric motors and deliver output into a dummy load which acts as an immersion heater.

These three heat sources deliver their hot water to a 21,000 gallon thermal storage vessel, via pumps, and the hot water is used to heat the factory radiators.

● TEXTILES

Jacquard automated

ONE OF THE first major technological breakthroughs to emerge from Germany after the Second World War was a system of engraving printing blocks. It was based on electronic scanning and use of a stylus to cut into the block surface to a depth determined by the scanner. This has since become very highly developed and is being used for the preparation of four colour printing sets for paper and also it has been widened to include the preparation of printing rollers for the new transfer printing processes that are gaining ground rapidly in the textile industry.

Much of the development in the production of decorated fabrics has been confined to printing, with jacquard weaving showing only improvements in speeds, rather than anything that can be described as fundamentally new.

Now a completely new system of jacquard card preparation has been introduced in Germany. The company that launched the printing block engraving system known as Klischograph, has collaborated with the long established German jacquard machine builders Carl Zangs Maschinenfabrik AG (British agents: Devoge and Co., Manor Road, Droylsden, Manchester, M35 6PH. 061-370 2442) in the development of a completely new system of jacquard cards. Traditionally cards have been punched by hand on something resembling a typewriter after having first been painted on to squared paper which corresponds to thread interlacings in the design.

With the new system a scanning device from Dr. Hell of Kiel is used to scan the painted design. Up to twelve separate colours can be identified. The data is then fed into a mini-computer which decides precisely what weaves are required and this information is then fed to the new Zangs jacquard card punching system.

In a fraction of the previous time cards are made that can immediately be mounted on the looms. Fabrics of the new design are then woven.

Clearly this is a complex and highly sophisticated system and one that is likely to be costly. This could perhaps prove to be something of an inhibition as far as its adoption by, say, the label weaving trade is concerned, but with an aid such as this it could well open the way to the development of new markets where speedy service is a major criterion.

Perhaps it might even be in the interests of certain specialised firms to form a joint card cutting company in which they would have interests and which could be kept fully occupied by the combined flow of business from the participants, for the rate of production from the New Zangs/Dr. Hell system is such that for many medium sized companies it could be in excess of current requirements.

● INSTRUMENTS

U.K. unit in infra-red limelight

ONLY infrequently in the U.K. nowadays is the combination encountered of high technology and acute business sense: all too often excursions into scientific products for the purposes of earning profits have proved total disasters.

A good example of what can be achieved given the right people is that of Infrared Engineering of Maldon in Essex.

The company was started in 1970 by management consultant Malcolm Nolan who was sufficiently convinced by the technical ideas of two Imperial College scientists to put much of his own capital into a small company to make industrial measuring equipment based on infra-red gauging techniques.

Later on the scientists' professor at Imperial College became a director, and so recently has Sir Eric Eastwood, latterly of GEC-Marconi Electronics. The 30-employee company is thus somewhat unusual in having a Board consisting of a managing director backed up by three PhDs and a Fellow of the Royal Society.

Growth of the business has been centred on the design and production of infra-red absorption gauges to measure specific constituents in industrial substances. Moisture content has proved a prime market and the systems are in some cases being installed at about half the price of the mainly U.S.-made competitive instruments.

The infra-red absorption technique is now some years old; the problem, however, has been to make accurate, stable, reliable and easily used instruments at realistic prices and this is what Infrared Engineering has been quietly doing, raising its turnover to about £½m. in the process.

Basis of the measurement system is to choose two wavelengths which exhibit differential absorption for the substance to be measured, but the same absorption for the other constituents.

Light source is an under-run quartz halogen lamp, a beam from which is presented alternately to two filters (in a rotating holder) so that pulses of the two wavelengths fall alternately on to the substance to be measured. The reflected infra-red pulses are collected on an off-axis paraboloid mirror with central aperture to allow passage of the outgoing light. The mirror focuses the returned light on to an uncooled lead sulphide cell. A compact, stable optical path results.

After electronic processing and correction for environmental changes (a key feature of the design) the ratio of the two reflected intensities can be used to determine water content.

Accuracies between 0.01 and about 0.5 per cent. have been achieved in applications including industrial sand, clay dust, clay mixes, common salt, magnesium oxide (a critical application in mineral-filled electric cables), flour, concrete, asbestos, soap powder and many other.

The techniques has also been successfully applied to plastic films and laminates due to there being an infra-red selective absorption band for the CH radical. In particular co-laminate thicknesses can be measured to high accuracies, for example polyethylene on nylon.

The company's most important recent success has been the installation of 22 instruments at the New Smoking Material (NSM) plant jointly run by Imperial Tobacco and ICI at Ardeer in Scotland. The contract was worth about £100,000.

Acording to Drs. Edgar and Hindle, who have been responsible for most of the design work, the applications so far discovered for the technique are "only the tip of the iceberg" and the company, more or less alone at price levels it has set, is actively looking at uses in many other parts of the world.

● DATA PROCESSING

New force in remote computing

TELEPROCESSING will be the forte of a joint venture computing service set up by J. Lyons, Lucas Industries and Computer Resources.

The consortium expects business from existing users of medium sized computers who will use the larger bureau system for extra facilities or capacity as a more cost-effective alternative to upgrading their own equipment.

The size of the joint facilities will reassure companies heavily dependent on their data processing systems, who require guaranteed and substantial back-up facilities as an insurance against protracted failure of their own machine centre.

J. Lyons present installation is an IBM 370/155 with 1½ megabytes of core and includes a 1288 optical page reader capable of reading characters, marks or handwriting.

Lucas Industries has an extensive network of terminals supported by four large IBM systems.

CRL is a private, independent company specialising in IBM bureau and software services and is well placed to augment the technical and systems support available at the main machine centres. It has three years sales and marketing experience with J. Lyons, and has built up the external bureau business to a satisfactory level.

The addition of the Lucas Industries machine facilities is making possible a big expansion without the high investment normally associated with such data processing bureau ventures.

Further information from J. Lyons on 01-603 2040.

Putting off the evil day

BY EXPERT evaluation of a user's needs, a computer consultancy organisation has made possible a lengthy postponement of the installation of additional equipment and a shelving, for the time being, of proposals to move to a larger machine.

Calor Group in July 1974 replaced an ICL 1902A by an IBM 370/125. By the end of March 1975 the batch systems operating on the ICL equipment had been transferred. In addition, a major one-line cash allocation system, using 11 locally attached 3270 visual display systems had been implemented.

At this stage the computer was showing signs of being overloaded, was being used every week-end, and testing time for development personnel was restricted. BIS was called in to work with Calor's technical support group, which had already identified many of the problem areas.

After a three-month review Calor accepted BIS concepts of Configuration, Planning and Control (CPC).

By the beginning of October most of the technical recommendations and all of the organisational recommendations had been implemented and, as a direct result, installation of additional computer capacity originally scheduled for October, 1975, has been postponed and will not now be required until late 1976 at the earliest.

Weekend working is only necessary on one week-end a month to process the peak load and the amount of time available for development work has improved with a considerably increased turn-round for testing together with improved production deadlines.

Further on-line applications and additional batch systems are due for implementation in the first half of 1976.

BIS has recently conducted a number of similar CPC exercises in the banking, financial and distributions areas, which have lead to substantial surveys on future hardware needs and have also improved the current utilisation of both computer hardware and systems performance. In one venture, savings up to £150,000 have been realised.

BIS is on 01-928 8811.

● METALWORKING

Soldering stainless steel

STAINLESS steels are conventionally joined with expensive brazing alloys and separate liquid fluxes. Tin-lead soft solders are usually unsuitable for this.

Multicore 96S Arax silver solder for stainless steels contains four cores of special flux, which is automatically liberated solely to the joint area, saving the excessive spread of expensive solder experienced when separate liquid flux is used. The solder is non-toxic and remains bright, says the maker.

Melting point is 221 degrees C. and tensile strength is four tons (square inch). It also solders most other metals, and is said to be suitable for soldering jewellery. Wire diameters for the solder range from 0.23 to 3.25 mm, on 0.5, 1 and 2.5 kg. reels. It is made by Multicore Solders, Maylands Avenue, Hemel Hempstead, Herts., HP2 7EP (0442 3636).

● HANDLING

Automatic drainage pump

A SUBMERSIBLE automatic drainage pump for industrial, marine, domestic and catering applications has been developed by British Guinard Pumps, Kernan Drive, Loughborough, Leics. (05093 31872).

Called the EMC 46, it will operate in cold or hot water up to 80 deg. C. It is self-contained, rated at 250W, and will operate from a 13 A socket.

The crossbar of the handle is a float, which when forced upright by flood water starts the pump. At the parent company's laboratories in France, tests showed a delivery of 35 gal./min. at 6 feet and 4 gal./min. at 23 feet.

The pump body is of aluminium alloy with a glass reinforced Noryl cover. The shaft is of stainless steel, driving a glass reinforced Noryl impellor.

Easier to move the disabled

ONE OF the leading manufacturers of invalid hoists, F. J. Payne and Son, of Oxford (0865 45531), has devised a hoist which it claims will lift a 20-stone patient with complete safety in confined areas.

A fifth wheel which is fixed halfway along the chassis, slightly larger than the hoist's four swivelling castor wheels, one on each corner, allows the loaded machine to pivot in its own space, even on a deep pile carpet.

It can operate in corridors only 31 inches wide and turn into a 25-inch-wide doorway, and although its overall width is only 24 inches, the legs splay open at the touch of a lever to span a wheelchair.

Lifting is by a simply operated hydraulic pump and can be carried out by anyone, using one hand. A finger-and-thumb control opens a valve which gently lowers the patient.

The chassis, 44 inches (10.7 cms.) high will pass under any modern car for direct transfer of the patient and it will also pass under a bath (a small aperture has to be cut in the bath panel), and many types of easy chair.

The hoist takes very little time to dismantle, can be carried by one person and can be stowed in the boot of a car. A variety of nylon slings is available.

● SAFETY

Pressure loss gives alarm

ALL-PNEUMATIC and therefore intrinsically safe, a fire alarm system for hazardous areas has been developed by Drallim Controls of Brett Drive, Bexhill-on-Sea (0424 216611.)

The Pneugard system uses a narrow-bore thinwall plastic tube ring-circuited throughout the premises to be protected, with loops or spurs to the most sensitive or hazardous points. This forms a continuous heat-sensitive element over its entire length. A rupture anywhere causes a complete loss of pressure and so activiates the alarm system.

The critical rupture temperature can be varied within limits by adjusting the pressure, but is typically about 70 degrees at 25 psi. The pressure loss is detected in a central control box and may be translated into alarm signals or actions as needed. Even with a rupture up to half a mile from the control centre, the delay in triggering is only about 20 seconds.

● *By agreement between the Financial Times and the BBC, information from The Technical Page is available for use by the Corporation's External Services as source material for its overseas broadcasts.*

● SERVICES

Analysis for small companies

THE MANAGER and a small number of the staff of the closed-down Burmah Group research laboratories have formed a new company which is to provide an analytical service to organisations which are not able or willing to allocate resources and capital to the necessary modern facilities.

The analytical techniques offered are based on mass spectrometry and the service is divided into organic, inorganic and geochemical sections. Industries that could benefit include oil, chemical, brewing, steel, glassmaking and many others, and it also planned to deal with environmental problems relating to water pollution, car exhaust and air pollution by trace contaminants.

Organic analyses will be based on a VG Micromass 12 spectrometer linked through gas chromatographs into a PDP 11 computer with 24k of core store. Instem software is used. Also available are a Micromass 602 for isotopic analysis and a Perkin Elmer 240 for elemental determination of carbon, hydrogen, nitrogen, sulphur and oxygen.

Work will be carried out on the basis of research contracts and further details can be obtained from Environmental Analysis, Commercial Road, Bromborough, Wirral, Cheshire. (051 334 2643.)

● PROCESSING

Less power for circuit curing

STATED TO achieve equally good results with etch, plating and solder resists and notation inks is a conveyorised ultra-violet radiation system intended for curing screen printed circuits.

The standard model is equipped with two high intensity mercury vapour lamps mounted over a 24 x 78 inch long conveyor belt moving at 10 to 30 feet/minute. Power consumed is 11 kW which, says the company, is only about a quarter of that needed for an infra-red tunnel using conventional heat-setting inks.

Other advantages claimed for ultra-violet curing are freedom from air pollution, because UV inks are virtually solventless, and easy cleaning of the screens. The reduced heat inlet also means a more comfortable work room temperature in the summer months.

Price of a machine is £2,250, but they are also hired on a monthly basis. More from Hedinair, 2, Whalebone Lane South, Dagenham, Essex (01-593 7221).

● CATERING

Hygienic pump for foodstuffs

A PUMP stated to have only one moving part and to be completely sealed has been developed for the food production industry by Meincke Bros., of Denmark.

It operates on compressed air (80 psi) and is designed to pump in an even flow heavy masses such as jams, jelly, cake batter or cream direct from the storage container or mixing bowl to the point of use in the exact quantity and to the position required.

Controlled speed of the pump eliminates friction damage to products with a sugar content. All parts coming into contact with the pump's contents are constructed from stainless steel or synthetic materials, and by operating one release catch the pump is dismantled for cleaning.

Two models are available allowing a water throughput of between 25 and 43 kg. per minute, or a jam throughput of [illegible] to 19 kg. It is marketed in the U.K. by European Process Plant, 175, High Street, Banstead, Surrey, SM7 2NT (Burgh Heath 52028).

LABOUR NEWS

ACAS to try to solve case of 'Ferrybridge 4'

BY CHRISTIAN TYLER, LABOUR STAFF

THE CASE of the "Ferrybridge Six," the power station workers dismissed for not joining unions in a closed shop, took an unexpected turn yesterday during the first day of an industrial tribunal hearing in Leeds.

It was agreed to call in an official of the independent Advisory Conciliation and Arbitration Service to try to resolve the dispute in the case of four of the men.

ACAS has already been involved, and said last night that it would be responding as soon as possible. Conciliation may start to-day.

All six men claiming unfair dismissal are members of the small Electricity Supply Union, which is not recognised by their employers the CEGB and the Electricity Council. But all were formerly members of one of the four unions in the industry's national closed shop agreement. DM53.6m. from DM49.1m.

However, four of them had applied "under protest" to join the recognised Amalgamated Union of Engineering Workers. This was refused, said counsel for the CEGB, Mr. Alexander Irvine, because of the provisions of the TUC's Bridlington Rules. These rules forbid poaching of members between TUC-affiliated unions.

The move came while Mr. Irvine was explaining to the tribunal how the men came to be dismissed three months ago.

He said that when the Conservatives' Industrial Relations Act was repealed in 1974 by the Labour Government, the industry returned to its 1969 closed shop arrangement agreed before that Act and subsequently made void by that Act.

Mr. Alan Pardoe, counsel for the six men, challenged this return to the status quo and said that part of his case would be that the section of the agreement setting up the closed shop had never been "reconstituted."

The case has achieved national prominence because of the controversy surrounding the closed shop and Government attempts, unsuccessful so far, to remove Opposition amendments that allow workers more grounds for not joining a recognised union.

Its outcome, according to the non-TUC Confederation of Employee Organisations, representing mainly white-collar staff associations and which is backing the six, is crucial to the future of minority unions and could affect MPs' thinking on closed shop law.

Yesterday's session of the tribunal was a low-key affair until the chairman of the tribunal, Mr. George Smailes, suggested that ACAS be brought in.

Referring to the four mens' rejected application to join the AUEW, he said: "This is one of those ticklish problems that arises in industry and one to which, through their own skills, the ACAS often manages to produce a solution.

Concerned

"What I am concerned about is that these gentlemen should get back into their jobs and that reasonable peace and harmony should prevail in the electricity supply industry."

Both counsel agreed to his suggestion.

The four men are: Mr. Desmond Palmer, Mr. Cliff Mathers, Mr. Bob Holliday (all formerly members of the Transport and General Workers' Union) and Mr. Treharne Morgan (formerly with the Electrical Plumbing Trades Union).

The two who have refused to join another union are Mr. Bill Sargent, general secretary of the Electricity Supply Union and formerly of the General and Municipal Workers Union, and Mr. Conrad Smith, formerly of the EPTU.

All the men are from W. Yorkshire and used to work at the Ferrybridge "C" power station on the A1.

Cross-examining Mr. Howard Sallis, head of the CEGB industrial relations branch, Mr. Pardoe accused the Board of "inconsistency."

In 1969, when the closed shop agreement was made through the industry's national joint council, existing non-union employees had been exempted.

What, he asked, was there in the 1974 Trade Union and Labour Relations Act that allowed the Board to change terms of contract which had been provided by the Conservatives' 1971 Act.

Mr. Sallis replied: "We did not find anything that prevented us from changing the terms of contract."

The National Joint Council had agreed in 1974 to return to the *status quo*, and before the Conservatives' Act was repealed, had notified workers that they would be required to join one of the four signatory unions or face dismissal. Many of them had done so.

To-day, the tribunal is expected to hear arguments from the six about why they had reasonable grounds for refusing to join their former unions.

These grounds form the basis of one of the so-called "Lever Amendments" which the Labour Government is seeking to strike out.

Earlier, Mr. Irvine described how the ESU, which was formed in 1961 and which registered under the Industrial Relations Act 10 years later, had applied unsuccessfully to the National Industrial Relations Court for bargaining rights at Ferrybridge.

Prudential staff lift sanctions after new offer

BY OUR LABOUR CORRESPONDENT

PRUDENTIAL INSURANCE staff have lifted a three-week campaign of sanctions following a slightly revised pay offer which is being put to a ballot of the 4,000 staff involved.

But the company has not agreed to the demand by the Association of Scientific, Technical and Managerial Staffs that all staff should receive the full £6 a week pay increase allowable under the Government's counter-inflation policy and this stand could influence other insurance industry pay negotiations due soon.

Meanwhile, a £6 flat rate across-the-board increase has been negotiated by the Guardian Royal Exchange staff association for its 8,500 members, payable from November 1.

Prudential's original offer included 13.5 per cent. increases—the amount that the cost of living has risen between interim increases in April and the October 1 annual payment date—with a cut off at £6.

This meant that for the 1,000 or so earning less than £2,310 a year the offer was worth less than £6 with juniors receiving between £3 and £4 a week.

Management had also offered to review salaries next April and bring them in line with the rise in the Retail Pirce Index, a move that should bring more of the lower paid staff up to the £6 limit.

Under management's new proposals there are to be two cost-of-living reviews, in January and July, by which time all adult staff are expected to gain the full £6. Similar improvements have been offered to the company's 500 or so manual workers, also ASTMS members, but they appear to be holding out for the full £6 increases all round and have already staged a one-day token strike to support their demand.

Northgate textile workers offered £6

By Our Labour Staff

THE NORTHGATE textile group, a subsidiary of Courtaulds, has agreed to pay the full permitted £6-a-week increase to its 8,000 workers after protracted unofficial stoppages and an official strike notice from the National Union of Tailors and Garment Workers.

The company's offer to pay the full £6 for a 40-hour week in two stages—£4 a week from December 4 and another £2 from next April—is now being put to the workers. The union is recommending acceptance.

Official strike action now looks unlikely and the company hopes that the 1,800 or so unofficial strikers will resume work shortly.

Minimum rates

Northgate had initially offered a £3.60-a-week increase in minimum rates, and said this could lead to an increase in earning up to the permitted level of £6 for workers whose performance was above standard levels.

The new offer would mean a rise in average earnings of about 20 per cent., a company spokesman said

Meanwhile, the National Union of Hosiery and Knitwear Workers has said some progress had been made in negotiations with Courtaulds for about 20,000 workers to whom the company has offered a 10 per cent pay rise. For the lower paid grades this could mean less than £3.50 a week.

New drive to stop flouting of safety regulations

BY DAVID FISHLOCK, SCIENCE EDITOR

A WARNING that the Health and Safety Inspectorate is planning a fresh assault on large organisations that are flouting safety regulations is served in the latest report from the Chief Inspector of Factories.

Mr. Jim Hammer chief factory inspector, warns that the accident prevention advisory unit will be gathering information "about those factories where inspectors have been unable to achieve lasting improvement either by persuasion or prosecution."

Mr. Hammer believes the problem lies not so much with the Boards of large companies as with subsidiaries which are still ignoring company policy on health and safety.

Conglomerates

When directors of large groups have been confronted with evidence of unsatisfactory standards in their subsidiaries, "their surprise has clearly been genuine," he notes.

Although this fact must stand "in condemnation of both their competence and their concern for compliance with the law," says Mr. Hammer, once it has been brought to their attention the outcome has "often been encouraging and sometimes dramatic."

What large organisations and multi-national companies should do, he suggests, is to compare internally the safety performance of individual units, and to assess how they compare against company standards.

Mr. Hammer refused, however, to pinpoint specific industries giving cause for concern, arguing that many of the conglomerates with which his inspectors were having trouble operated in several industries.

Fewer deaths

The new Health and Safety Act, which came into force at the beginning of this year, requires companies to publish their safety performance as part of their annual report, although this provision has not yet been implemented.

Accidents and deaths in industry fell last year—in the case of fatalities by nearly 13 per cent.—although the figures take no account of the reduced level of industrial activity in the U.K. In any event, the fall in fatalities is almost entirely accounted for by the construction industry, whose death toll dropped from 230 in 1973 to 161 last year.

The overall cost of the Health and Safety Executive (around £25m. last year) is expected to rise to about £35m. in the current year. The 50 per cent. expansion of the factory inspectorate by 1979 anticipated in 1974 is on schedule, said Mr. Hammer, and the inspectorate was hoping to absorb a further 70 inspectors in the next few months.

A reorganisation of the factory inspectorate into 21 areas in which inspectors will specialise to a much greater extent than hitherto is expected to be complete by the end of 1976.

H.M. Chief Inspector of Factories Annual Report 1974. SO £2.35

Provincial journalists consider industrial action

BY OUR LABOUR CORRESPONDENT

LEADERS of the 9,000 journalists employed on provincial newspapers are to consider calling industrial action following the refusal by the employers, the Newspaper Society, to pay the full £6 pay increases allowable under the Government's pay policy.

Special chapel (office branch) meetings of the National Union of Journalists have already shown that there is considerable support for industrial action to press the claim. By about 1,900 votes to 1,300 they mandated their negotiators to call action if the full demand is not met.

The Newspaper Society had offered the full £6 a week increases to the 7,000 senior journalists but junior trainees under 24 were offered between £2.40 and £5.70 a week.

During a 90-minute negotiating session yesterday the offer was improved marginally with juniors being offered the £6 from January but at the expense of increments due later in the year.

The NUJ found the revised offer unacceptable as it did not meet the £6 demand and declared in a joint statement that the situation would be reported to its joint standing committee

Dockers ask for full £6 increase

LONDON dockers and 22,000 workers employed in the paint manufacturing industry have become the latest groups of workers to demand full £6-a-week pay increases.

The 6,000 men in London's enclosed group of docks have, in fact, already been offered the full £6 and acceptance is expected soon while other workers in the port are expected to settle for the same amount.

The Paint Makers' Federation is expected to reply to the £6 claim next week and Mr. David Warburton, national industrial officer of the General and Municipal Workers' Union, said yesterday that the union would not accept "anything less" than the £6 supplement to the industry's £30 basic rate.

TUC calls for anti-racial action

THERE IS still a need for TUC calls for Anti-Racial Action "positive action" to minimise the degree of racial discrimination that exists in Britain, according to the Trades Union Congress.

The TUC equal rights committee, which yesterday forwarded to the Department of Employment its views on the White Paper on Racial Discrimination, believes that: "While the existing race relations legislation has ended most of the more overt forms of discrimination, there is still a need for positive action from the Government, public bodies, trade unions and employers to minimise the degree of racial discrimination."

In the TUC's view, a further attack on discrimination needs to be "supplemented by a more comprehensive strategy for dealing with the problem of disadvantage."

The document points out that many of the immigrants' problems stem from the lack of suitable educational opportunities, and the poor environment in which they are often forced to live. It suggests that these two factors should receive priority in Government and local authority programmes.

Press unions asked to consider charter against censorship

PRESS organisations were invited yesterday to negotiate a charter "to resist censorship and improper pressure on newspapers' editors and other journalists."

The call came from the National Union of Journalists a few days before the controversial Trade Union and Labour Relations (Amendment) Bill is due back in the Commons.

An NUJ spokesman said the invitation had gone to the Newspaper Publishers' Association; the Newspaper Society; the Scottish Daily Newspaper Society; the Scottish Newspaper Proprietors' Association; the Guild of British Newspaper Editors; the Institute of Journalists; and representatives of the editors of national newspapers.

In a letter to them, Mr. Kenneth Morgan, general secretary of the NUJ, said the union believed that an agreed charter would be needed irrespective of the fate of the Bill, due back in the Commons on Tuesday.

The union would welcome immediate talks with all the organisations to try to agree on a charter on the lines suggested by Lord Houghton, Mr. Alastair Hetherington, former editor of the Guardian, and the House of Commons in its debates last session.

"We put forward a similar proposal over a year ago, despite all that has been said since then, including the ill-informed and unjustified attacks on the NUJ, our offer—our desire—for further protection for Press freedom stands firm," Mr. Morgan said.

Daily Mail, Thursday, November 20, 1975

Good old Woolies, at last

YOU can almost smell the confidence in the Woolworth boardroom these days, as they ride to success on their clever 'Wonder of Woolworth' campaign.

It is a long time since this 1,000 store group have surprised the City—as distinct from shocking it—but yesterday, the profits for the nine months to October 31 were a nice surprise.

Accordingly, Woolworth shares rose 4p to 69½p, their best for two years.

The excitement comes from a 34·6 per cent. rise in February/October profits to £21,706,000 before tax although sales (excluding VAT) were only 26·2 per cent. up at £392 million.

76% jump

The Daily Telegraph, Thursday, November 20, 1975 21

Woolworth lifts profit by 35pc

By MAURICE BARNFATHER

F. W. WOOLWORTH'S massive television and general advertising campaign came up trumps in the nine months to October, proving a major factor in the 35 p.c. rise to £21·7 million in the high street giant's pre-tax profits.

The 52·7 p.c. American-owned Woolworth, one of the old names in retailing, has so ... spent some £2 million in ... moting the "wonder of Wo... worth."

For the first nine months this year the result has been ... 26 p.c. increase to £392 milli... in sales, which, adjusting for ... flation, points to a real 3 ... rise in the volume of goo... actually sold and suggests Wo... worth has managed to take ... larger share of retail spendi... upon as the unchanging corner of retailing, has been backing up its aggressive and so far highly successful advertising campaign with a continuing shift in its sales mix. The emphasis has been on lower margin but quicker and larger selling goods, which has been particularly beneficial to a

The Financial Times Thursday November 20 1975

Wondering about Woolworth

Woolworth continues to confound the sceptics—after a 12 per cent. pre-tax gain at the half-year, third quarter profits are 76 per cent. up at £10m., which is well above expectations even though the comparison is with a disappointing period of 1974. The shares rose 4½p to 69½p for a rise of nearly a half since the August interim—easily outstripping the rest of the store sector. The group has, for once, been increasing market share steadily this year and the third quarter sales increase of a fifth was a couple

Index rose 1.2 to 377.8

Fls.150m., Fls.90m., and now Fls.50m.

Virtually all the losses to date arose in Enka Glanzstoff: the U.S. operation improved substantially in the latest period, and the British Enkalon subsidiary says that volume and prices have picked up a little from the disaster levels reported a couple of months ago. Akzo has seen "no significant" recovery in European fibre

£4.7m., which compares with peak annual sales of over £40m.

Howden/Halford

Halford Shead, the minnow of the quoted insurance brokers, is being taken out by Alexander Howden for something more than a minnow-sized price—£12.3m. Originally floated three years ago at 115p, HS started this year at 54p and had already come up to a high of 235p before last night's terms—involving a four for nine swap into Howden shares. With Howden at 141p, ... makes 317p a share for HS around 21 times earnings ... the twelve months up to June. Howden is adding 18 ... cent. to its equity for, ... historic figures, an increase ... 12 per cent. in net profits. ... insurance broking takeo... depend as much on personal... ...nancial sums: sh... Howden will ... deal proves ...

Woolworth £5½m. ahead at nine months

WITH SALES in line with budgets and net margins being "somewhat" better than expected, F. W. Woolworth has pushed up ... the company had ... increases in staff a... Sttaement. See ...

DAILY EXPRESS Thursday November 20 1975

Woolies warm up to a wonderful £10m

By Stephen Kahn

THE Wonder of WOOLWORTHS still has a long way to go to live up to the company's advertising slogan.

But the policy of chairman Mr. Steve Owen to cut back on selling space for cheap low-priced items to make way for high-profit products like electrical goods, is paying off.

Sales are growing more slowly, but Woolworth's third-quarter profits rose to £10 million, a 76% gain on the same three months last year. It brings profits for the nine months to the end of October up from £16·1 million to £21 million.

Mr. Owen says, however, that the chance that customers will spend less makes it advisable to view the important final quarter with caution.

Not everyone is being so stoney-faced.

Mr. Leslie Porter, chairman of the TESCO supermarket chain said: "All the indications are that we are going to have a fantastic Christmas. People seem to have plenty of money to spend. We have had to stop advertising some electrical lines because we are already sold out."

Mr. Tony Wilson, sales director of the department stores division of DEBENHAMS, said: "Everything from furniture to fashion is selling well. Sales are up 30% this month, and I've no doubt we will have a splendid Christmas in our 67 stores. Then we move straight into ... December

EVENING STANDARD, WEDNESDAY, NOVEMBER 19, 1975—31

£10m—the wonder of

Woolworth-the story behind the headlines

FW Woolworth's statement of accounts for the nine months to October made national headlines. Turnover up by more than £80,000,000 and profits up 35%. An astonishing performance.

What lies behind it is a complete change in advertising policy. This year, Woolworth and their agency, Allen, Brady & Marsh put 85% of the national advertising budget into television. Previously, three-quarters of it had been in other media.

Results were immediate and dramatic. The first quarter following the TV campaign produced profits 16% higher than the previous year. The second quarter, an amazing 76% higher.

The award-winning television campaign has paid for itself several times over. Congratulations Woolworth. Congratulations ABM. Glad to have helped.

THAMES

Thames Television 306-316 Euston Road London NW1 3BB

PARLIAMENT

Tories claim Benn offer to Burmah is highway robbery

BY JUSTIN LONG, PARLIAMENTARY CORRESPONDENT

THE GOVERNMENT'S offer to purchase Burmah Oil's North Sea assets had a mixed reception in the Commons yesterday—with outright hostility from the Opposition which condemned the proposals as "highway robbery under duress."

Defending the Government from this charge, **Mr. Anthony Wedgwood Benn**, Energy Secretary, found his statement on the intended negotiations brushed aside by **Mr. Patrick Jenkin**, the "shadow" Minister.

"The Government has now become the biggest asset stripper of the lot," Mr. Jenkin declared.

Mr. Benn protested that the proposal to negotiate and purchase Burmah's assets at a fair price on an "arm's length basis" did not warrant Mr. Jenkin's criticisms.

This justification of the Government's proposals roused the indignation of Labour Left-winger **Mr. Dennis Skinner**. He thought the Government had played its cards thoroughly badly. If Ministers a year ago had withheld the support they then gave to the company, it would now be in such a state that its assets could have been taken over for nothing, Mr. Skinner argued.

Hopeful

Even Mr. Benn, not normally an opponent of cut-price nationalisation, looked a little shocked at this suggestion. Whatever the position of Burmah Oil had been last year, the Government had behaved fairly, the Minister argued.

On the Government's present proposals, after reviewing the company's situation and its cash needs, it had been decided that the dollar borrowing guarantees accorded about a year ago should be renewed for a further nine months. This was to give the company further time to realise its U.S. assets at a satisfactory price.

In addition, the Government had offered to purchase the whole or a substantial part of Burmah's North Sea oil assets at a fair price and, as the Minister stressed, on an arm's length basis.

"The Board of Burmah is ready to enter into immediate discussions with the Government to explore all possibilities subject to it being satisfied that the interests of the company are fully safeguarded," Mr. Benn continued.

"These discussions will necessarily take some time and both parties are hopeful that they will be successfully concluded. Both parties are determined that the negotiations shall not hinder the continuing development of the North Sea."

After dismissing Liberal as well as Tory doubts that the *negotiations were being freely* entered into by the company, Mr. Benn had to deal with the criticisms from his own side.

Mr. Michael English (Lab. Nottingham W.) suggested that a fair price depended on one's viewpoint.

If the Government refrained *from renewing the guarantees* it was offering the company, the price at which it could get the company's assets might well be a lot more reasonable from the point of view of the taxpayer, more than one Labour MP argued.

Mr. Benn, in a role the Left-wingers considered did not suit him, insisted that the Government's response to the needs of the company had been the right one.

From the Tory backbenches, **Mr. John Davies**, who was a Minister in Mr. Heath's Government, said he was sure Mr. Benn would appreciate the uncertainties his statement would arouse.

The uncertainties Mr. Davies had particularly in mind were those which might be felt over the ultimate disposal of shares in BP held by the Bank of England as collateral for guarantees given against assets.

Mr. Benn said this raised an entirely separate question, unconnected with the statement he had made on Burmah Oil. When the Government was ready to make a statement about BP shares it would do so.

Scottish Nationalist, **Mr. Gordon Wilson** (Dundee E.), asked Mr. Benn to elaborate on the terms of compensation. He said a large number of small investors, particularly retired people, would be concerned about developments affecting the company.

Mr. Benn reminded him of the reference in his statement to a "fair price" being paid for any Burmah assets the Government acquired.

Mr. Peter Hordern, (C., Horsham and Crawley), wanted to know whether the shareholders were having a pistol put to their heads—if they were being forced to enter into negotiations for the sale of their North Sea assets.

Mr. Benn told him: "I do not accept for one moment the situation as you put it."

The Minister maintained that it was entirely a matter for Burmah Oil as to how it conducted its negotiations. He added: "*We have offered to purchase at a fair price on an arm's length basis. I cannot accept what you say.*"

Vinup

MR. PATRICK JENKIN "Government now the biggest asset stripper."

Reactor talks follow review

FINANCIAL TIMES REPORTER

FOLLOWING A review of key aspects of the design of the prototype steam generating water reactor at Winfrith, the Nuclear Power Company has made firm recommendations to the electricity Boards and discussions are taking place.

Giving this information to MPs in the Commons yesterday, **Mr. Anthony Wedgwood-Benn**, Secretary for Energy, said it had long been recognised that there would have to be some design changes from the Winfrith prototype for a commercial reactor—"for example, because of its larger size."

Mr. Patrick Jenkin, "shadow" Energy Minister, called for an analysis of the reasons why, when the Germans had been able to complete the Biblis A nuclear power station of 1,146 MWe in 58 months between starting site work and generating power, the Hartlepool AGR, of 625 MWe would have taken 114 months to make the same progress.

He also asked what steps the Government was taking to ensure that the SGHWR programme proceeded at a speed comparable to Britain's main competitors programmes.

Mr. Benn answered: "The problems with the AGRs are well known, as are the problems which certain other countries, including the Federal Republic of Germany, have had with the *construction of some of their* power reactors

"Reorganisation of our nuclear design and construction industry has been designed to *strengthen our capability for the* future."

Mr. Benn pointed out that all the responsible organisations were committed to launching the SGHWR as a commercial system and were working to that end.

Economic service run-down refused

Financial Times Reporter

A SUGGESTION by Mr. John Farr (C. Harborough) that the Government Economic Service should be run down in view of its cost to the taxpayer and the advances made in computer forecasting *was rejected* in the Commons yesterday.

Mr. Robert Sheldon, Financial Secretary to the Treasury stated that the functions of those members of the Government Economic Service who were employed in the Treasury, and the number required to perform the functions, were examined in detail during the recent management review of the department and he was satisfied that the present complement was justified.

"Computerised economic forecasting models can only be developed and used by qualified staff and the increased sophistication of these models is one of the reasons for the increase in the number of Treasury economists over the past 10 years," he stated.

Labour MPs gripped in devolution agony

BY RICHARD EVANS, LOBBY CORRESPONDENT

LABOUR MPs yesterday continued their agonised debate over the devolution White Paper and confirmed the wide range of opinions within the party on how best to meet the desire for more *self-government* and the threat of nationalism.

In a second debate in the Parliamentary Labour Party a crowded meeting heard a succession of speakers divide evenly for and against the Government's proposals. So many speakers wanted to speak that a third party meeting is likely to be arranged.

The anguished search for be right course was typified by Mr. Robert Hughes, a former junior *Minister who first suggested* that one possibility was to abandon the White Paper and to fight the Nationalists at the next election on the simple issue of Scottish independence, *but who* then argued that despite grave anxieties the party should rally behind the White Paper.

Mr. Hughes, MP for North Aberdeen, urged the Government to press ahead with legislation in *the current session* even though Ministers have announced that this is impractical.

Another former Minister, **Mr. Norman Buchan**, also admitted he was full of doubts about specific aspects of the White Paper but thought that the most dangerous of all courses would be to do nothing.

On the key issue of what would happen if the Assembly exceeded its constitutional powers, Mr. Buchan suggested a "supreme court" of Scottish and English judges should be set up, or possibly, the Queen could act as a final arbitrator.

Mr. Joe Dean, MP for Leeds West, said his first impression of the White Paper had been favourable but on further study he detected very dangerous *trends in it*. Ministers had bent over backwards to placate extremist Scottish views. There were, for instance, rumours that Chrysler's Linwood factory might be kept open at the expense of Coventry.

He also thought it essential to stress the advantages to Scotland and Wales of their remaining members of the United Kingdom.

Mr. Neil Kinnock, Left-wing MP for Bedwellty, thought it essential that decisions were not taken simply because of fear of *nationalism, and there* should be a referendum in Scotland and Wales at the conclusion of legislation to ensure that the result was widely acceptable.

Mr. George Cunningham, a Scot representing a London seat, claimed that Parliament was the most effective tier of government in the U.K. yet it now had "the smell of death" about it. In his view no Government should take its stand half way down the slippery slope to separatism. The White Paper was unstable and the Government would need "a devious pilot" to steer the proposals through.

Direct elections to Europe by 1980

BY PHILIP RAWSTORNE

DIRECT ELECTIONS of British MPs to the European Parliament would be held by 1980 at the latest, Mr. Roy Hattersley, Minister of State, Foreign Office, indicated in the Commons yesterday.

The Government was fully committed in principle to direct elections and would implement them at the first practical opportunity, *he said, amid some protests* from Labour and Conservative anti-Marketeers.

But Mr. Hattersley openly doubted whether the first elections would be possible in 1978—the Community's target date. "This will be a major constitutional innovation and clearly a subject for major, and, I suspect, prolonged debate." he said.

The Government would have to decide, after consultations, on the form and nature of the elections before putting proposals to Parliament. "The House would be properly offended if we committed ourselves to proposals and to obtaining the approval of Parliament for them by a specific *pre-determined* date."

Mr. Hattersley said that if the details could be decided in time, the elections would be held in 1978. "If they cannot, and I can only repeat our doubts, then we must do it in proper order even if a little late."

The original EEC members had been thinking about direct elections for 17 years, he added. "If it takes us six or seven years of membership to implement them, then we shall not have done badly."

Mr. Hattersley, who was pressed by Mr. Reginald Maudling, "shadow" Foreign Secretary, for details of the Rome conference agreement, *refused to* anticipate a statement to-day by the Prime Minister.

But he told MPs: "Britain's interests as an energy producer are *fully safeguarded* by the arrangements which were agreed"

Mr Maudling, who welcomed the reaching of a compromise on British *representation, said*: "Clarification is necessary. Press accounts are very confusing as to what was agreed."

He doubted whether any Minister had ever emerged from an international meeting with more "egg on his face" than the Foreign Secretary (Mr. Callaghan), after the Rome conference.

"He did say that no possible formula could be produced that would permit Britain to be represented by the Community at the *forthcoming conference* yet this is precisely what has happened, and he must accept a certain share of blame if having started off to be the modern Palmerston *he* had finished up the Grand Old Duke of York."

Liberal foreign affairs spokesman Mr. Russell Johnston, said Britain had been the Community's brake when she had had many opportunities to be its motor. Britain was potentially the Community's major oil producer. We should take the lead in evolving the Community policy.

If we wanted a separate seat at the conference it must mean that we had different aims from the other members, but no-one had said what these differences were.

Pay policy ruined if doctors exceed £6 limit, Peers told

BY JOHN HUNT

IF THE Government settles the junior doctors' dispute by allocating money above the £6 limit, its national pay policy would be in ruins in a matter of weeks, **Lord Wells-Pestell**, told the Lords yesterday.

Speaking for the Government in a debate on the NHS, he agreed that the position of junior doctors was unsatisfactory and that they worked far too many hours. "But has the British Medical Association ever made a sincere and determined effort to do something about it?" he asked.

"Some of them don't work so long *because they have got good* consultants who take more than their fair share of the responsibility. But there are many who don't and who place a far heavier *burden upon junior hospital* doctors."

Turning to the phasing-out of pay beds, he emphasised that the Government was anxious to introduce this policy in a planned and reasonable way.

"The system of licensing is not a sinister first step in the abolition of private practice. It is *being introduced because* we want to have the means to encourage as far as possible a distribution of private practice throughout the country to give *the maximum freedom of choice*"

The Government, he said, was already aware of a number of large scale developments in the private field which could do enormous damage to the National Health Service and to the overwhelming majority of the medical profession itself.

The Government wished to discuss these problems with the profession without pre-conditions of any kind. It wanted to reach agreement on the situation which would arise when pay beds were phased out.

He stressed once more that the Government was not prepared to let the Royal Commission on the Health Service consider the pay bed issue. That was a fundamental political matter which must be decided by Parliament.

Lord Aberdare, Opposition spokesman, said the medical profession had lost confidence in the Government, as a result of the *mishandling of negotiations for* new contracts and because of the Government's pig-headed insistence on the abolition of pay beds.

Liberal spokesman **Lord** *Amulree said he could foresee* overtime payments to doctors leading only to jealousy.

The Archbishop of York, the **Most Rev. Stuart Blanch**, in his *maiden speech, said doctors had* to take responsibility for medical health but, at the same time, they were not involved in outside decisions about the service.

Dr. Blanch said: "When the present crisis is over I hope that we shall not forget that there is a larger crisis of confidence in the National Health Service which has something to do with the present issue.

"But I feel that it is as impossible to apply wholehearted managerial techniques to the service as it would be to apply them to archbishops, bishops and clergy of the Church of England."

Baroness Gaitskell (Lab.) said that general practitioners had had a raw deal. But the attitude and action of consultants was reprehensible.

Viscount Kemsley (C.) a member of the executive of the Association of Independent Hospitals, *said* uncertainty about the future was *causing independent* hospitals great concern and this was not *only* dangerous but quite unnecessary.

With the waiting lists of NHS *beds growing longer and cash in* short supply, every encouragement should be given to independent hospitals.

Lord Porritt, a former surgeon to the Queen, *said* he did not think the NHS was dying but he warned that we would be "hiding our heads in the sand if we did not face up to the *fact that it is seriously ill.*"

He called the NHS a "bureaucratic monolith" in which there were 30 per cent. more people working in administration than *in clinical work.* "We want the NHS to be maintained and developed but it never will be so long as it remains a political football." he said.

'Shameful'—Lady Summerskill

Baroness Summerskill (Lab.) said the "doctors strike" was shameful and unprecedented. They had lost their conscience and by putting the health of the sick at risk, had discarded their professional obligations, violating the Hippocratic oath

"I wonder sometimes if some of them have ever heard of the Hippocratic oath, which is dedicated to the belief that the health of the patients must be the first consideration"

British doctors had never behaved as clock watchers in the past. It was deplorable that they should say they would work only from nine to five. "This violation of our customary standards will have a damaging effect throughout the world on Britain's high professional reputation."

Attacking the decision that treatment would only be given to cases diagnosed as emergencies by general practitioners, she said she had often attended members of both Houses who were ill, and had found that a second opinion was often needed.

Lady Summerskill asked: "Who can say that a grumbling appendix will not rupture, a hernia will not become strangulated or that a duodenal ulcer will not perforate?"

In the past she had criticised the fact that many *foreign* doctors came to this country with poor knowledge of English and *lack of professional knowledge.* The full extent of discrimination against women who wanted to enter the medical profession had only recently become apparent and it appeared that for years medical schools had been preserving an unjust quota system in order to keep girls out. They had also demanded a higher standard of A levels from girls than from boys.

Foreign doctors were now *being subjected to professional* and language tests, and the *failure* rate was high. "No doubt this will convince those in charge that qualified British *women, speaking their own* language perfectly well, provide an adequate substitute for a foreign male who cannot speak English and does not know his job."

Lord Hunt of Fawley, President of the Royal College of General Practitioners, said the ill-feeling engenedered by pay beds was out of all proportion to their number, about 10 per cent. of total hospital beds in this country.

Minister expects £3m. rail saving next year

PROPOSED cuts in rail services will save over £3m. next year, **Dr. John Gilbert**, Transport Minister, said during Commons questions yesterday. He denied *that the proposals would cause* major inconvenience to the public.

Most of the cuts, he added, were falling on little-used services and some of the peak services involved had about half their seats unoccupied.

An overall review of transport strategy was being prepared in *his Department. It had not yet* been decided whether to publish the results as a White Paper or a consultative document.

Kinnock heads TGWU group

MR. NEIL KINNOCK, Labour MP for Bedwellty, was yesterday elected chairman of the Parlia*mentary group of the Transport* and General Workers' Union. Mr. Lewis Carter-Jones, Labour MP for Eccles, is vice-chairman.

The Marketing Scene

The cinema is fighting for its small share of the advertising cake

Last reel comeback for cinema

BY ANTONY THORNCROFT

The old and the new in Dry Cane cinema advertising. Sex gives way to sentiment in the fresh series of commercials, prepared by BMP and designed to appeal to the stricter code of advertising practice for drinks.

JUST AFTER Christmas the film Jaws opens for business in the U.K. On its American experience there is no way that Jaws can fail to be the most successful film ever released in the U.K.; it is already the biggest earner in the history of the cinema.

There are few obvious commercial link-ups between the story of a killer shark and promotional merchandise (although Woolworths is having a go) but for the cinema advertising industry Jaws is a wonderful shot in the arm. Pearl and Dean, the biggest cinema contractor with about 60 per cent. of the cinemas, has got together a package guaranteeing advertisers that their commercial will be seen for at least four to five weeks in a cinema showing Jaws—if they book an eight week campaign.

This has proved sufficient incentive for brands like Hovis, Pyrex, Hamlet cigars, and Carlsberg (in England) to buy cinema advertising for the first time. For the cinema is offering something which has been badly missing in the past—a large, guaranteed, audience for the advertisers' money. The general situation, where the cinema advertising contractors assert that their research indicates that a ten week campaign will always produce a standard audience profile, often produces a dubious reaction from research and media directors in agencies who are used to regular up-dated audience statistics. There is also the bother of booking cinemas individually—competitive media have progressed towards marketing their outlets in packages.

For all its advantages — large screen, movement, colour, and a very well defined youth market — cinema advertising has remained a remorselessly minor advertising medium, producing around £8m. in advertising income (including production costs) a year. The basic problem is irritated by the profusion of interests. The advertising contractors, and Pearl and Dean and Rank Advertising look after well over 90 per cent. of the business, have little advance knowledge of the films to be shown in cinemas, and the film distributors, although they get around £3m. from cinema advertising a year, do not go out of their way to court advertising. In addition the costs of a cinema commercial can be very high.

There have been attempts to tie in the commercials with a film — most notably J. Walter Thompson and Schweppes special advertising for a Gatsby cocktail, shown alongside The Great Gatsby film, but in the main the short-term booking procedures, and the unpredictable commercial success, of films make such exercises very hard to organise. The cinema advertising medium stands or falls by its basic selling ability, by its creative possibilities, and for once the media men must be over-ruled.

And, in fact, the cinema has its successes. A number of brands aimed at youth — two thirds of the cinema audience consists of light TV-viewing 15-30-year olds — have started their sales career in the cinema. A recent example is Warner Lambert's Listerine, which with a £50,000 campaign has established the idea of breath fresheners in the U.K. But now the inevitable is happening and Listerine seems likely to increase its advertising support and go on television. It has happened many times before—with the banks, with men's hair sprays, with jeans. The temptation to try and broaden the audience of a product, although at a higher media price, seems irresistible.

There are, however, two categories where the cinema has the edge over television for the simple reason that the products cannot, by compulsory or voluntary agreement, be shown on television—cigarettes and drink. Between them they account for over a half of cinema advertising, and the medium is naturally worried about its dependence on two such political sensitive areas.

In the past year there has been an agreement among the cinema contractors that cigarette commercials can only be shown in X films (not too much of a burden since over 40 per cent. of films are X), and now drink commercials are very thoroughly checked against the new codes of advertising practice.

The difference this can make is nicely shown in the latest advertising for Dry Cane rum, another product which owes much of its success to the cinema. The earlier commercials verged towards a spot of nudity but the new one is witty and sophisticated and fit for maiden aunts. By a twist of fate one of the largest current campaigns in the cinema—the Health Education Council's efforts to spread information about contraception—embraces a subject that would have been regarded as much more sensitive than the morality of drink and cigarette advertising a few years ago. For the moment some of the heat has abated from advertising controls, but the screen advertising bodies are energetically attempting to broaden their appeal—just in case.

A sign of the new marketing activity is the Jaws package; another is a presentation aimed to get packaged goods advertisers to try the cinema, rounding up an advertisement for Heinz beans or Birds Eye peas with a plug for the local stockists; a third is last month's Cinema Advertising Awards whereby prizes were given to the advertisers (rather than the agencies) of the most acclaimed commercials, with Listerine taking the premier accolade. Rank has done very well by guaranteeing advertisers spots in the Christmas Disney films and has attracted toy, confectionery, and record advertisers that are new to the medium.

Pearl and Dean and Rank Advertising are selling harder, not only to diversify from their drink and tobacco base, but also because, like most other media, there has been a decline in revenue in the last 18 months. Ironically this has coincided with a rise in cinema admissions, but some advertisers have chosen to economise on cinema advertising.

One reason for this is the cost of films. The production budget, as against the cost of media, is very much higher in the cinema than in television or the Press. For commercials like the Benson and Hedges film featuring Spike Milligan and Peter Sellars the budget was around £45,000, a substantial sum when you consider a large cinema campaign need cost little more than £100,000.

To get around this obstacle the cinema advertising contractors are pushing the idea of using TV commercials on the larger screen. There is an immediate gain in impact, at no extra cost and Hovis, Super Soft Shampoo, Hamlet cigars, and Pyrex are doing this. It is estimated that a quarter of all the commercials now shown in cinemas were produced with television in mind, and the percentage is likely to increase.

Another area of potential expansion is local advertising, which accounts for about a third of the total revenue and has shown signs of growth in the past year. An advertiser can buy a 15 second spot at its local cinema for £150 a year, including production costs, and a 60 second advertisement for a local car dealer need cost little more than £300.

Linked to this is the possibility of testing new products through the cinema. Every one of the 1,750 cinemas in the country can be the isolated focus for an advertising campaign aimed at a specialist market, like university students, soldiers, miners, such like. The costs are very low, averaging £10 a week for a minute commercial per cinema, depending on the average level of admissions. Currently the most expensive cinema in the U.K. is Warners in the West End where a minute's advertisement costs £90 a week.

There is considerable good will among advertising agencies towards the cinema and numerous advertisers such as Vladivar vodka, the Electricity Council, Hepworths, and Nurses Recruitment are satisfied users who regularly return to the medium with increased campaigns. It is a major way of reaching young people, in particular slightly up-market males. Banks, building societies, insurance companies have all appreciated the advantages of getting customers young, and how their marketing objectives coincide with the cinemas audience profile.

Creative men like making cinema commercials; media people often over-emphasise the planning problems. There is a real difficulty in the mechanics of the medium, with the contractors linked to the various cinema chains for fixed but temporary periods and competing among themselves for the business while aware of the need to promote the cinema jointly. Cinema advertising has suffered with the general decline in the cinema, and there the recent revival has coincided with a bad time for advertising, but for the cost, it offers a useful support medium for many advertisers and an essential outlet for certain brands.

ASDA finds cash in the cage

BY OUR MARKETING EDITOR

WAREHOUSING may be the least glamorous side of marketing but according to ASDA, probably the most successful grocery retailer of the past five years, it is taking care of warehousing that has enabled the company to keep its costs at the same rate as before inflation—and thus to increase its profits.

The secret is cages, piled up five high, and packed with merchandise. They are increasingly stocked, and the goods price marked, at the manufacturers, and after delivery to an ASDA store are wheeled on to the selling floor at night, by-passing the warehouse altogether. As a result 80 per cent. of an ASDA store can be given over to selling; before the introduction of caging the floor area was closer to 50 per cent.

Peter Firmston-Williams, managing director at the Leeds based group which is part of Associated Dairies, reckons that cages are the biggest single factor in the group's recent progress. Cages are only suitable for volume lines, but 80 per cent. of the company's turnover comes from just 250 of the 5,000 food lines.

As Firmston-Williams says: "It takes fifteen times as much labour to stock goods on pallets as to put them in a cage. Our wages have risen a 100 per cent. since February 1973 but we are handling much more goods per staff." Other cost savings have been achieved by replacing telephones in the stores by teleprinters, and by cutting heating bills by using the refrigeration plant heat to warm the selling area.

But there is one problem ASDA has yet to crack—to persuade local authorities in the south to let it open superstores in their territory. ASDA now has 51 stores and plans to open seven next year, all superstores with an area in excess of 40,000 sq. ft. They stretch from Edinburgh to Plymouth, but are missing from Greater London, although ASDA has had dozens of applications in for over three years.

The hope is that the lower prices quoted by ASDA—it reckons to be 12½ per cent. cheaper than the FT grocery index—will persuade southern councils to be more flexible in their reaction, for the sake of moderating the grocery price spiral. In the meantime ASDA aims to get closer to local authorities by taking on the role of the developers, who have withdrawn in droves in the last two years, leaving local authorities in the lurch.

ASDA is already acting as the developer in Plymouth and Aberdeen, getting a large store and providing car parking and perhaps small units in return. It is also working with Aston Villa to develop the area around the football ground, and other clubs have approached the company with similar propositions.

The car park is the key to the deal. ASDA will only open where there is ample car space (85-90 per cent. of its customers come by car) and this means out-of-town, or special situations. One incidental result is that ASDA now claims to be the second largest petrol retailer in the country. The petrol stations attached to its stores were quoting 62p a gallon for four star last week, and some of them, individually, out-sell motorway sites. ASDA denies that it is losing money on petrol: "We don't sell anything at a loss," says Firmston-Williams

No change Kimpher

THE resignation this week of two of the four original powers in the Kimpher group, Brian Palmer and Len Heath, will not affect the management structure. Brian Palmer has been easing out for some time, and has been basically non-executive for over a year. Len Heath was joint managing director with Michael Manton, but his decision to try out his own marketing ideas is not a complete surprise.

Brian Palmer

Michael Manton will continue as sole managing director, and takes over Len Heath's responsibilities for the marketing services side of Kimpher. David Kingsley remains involved, looking after the publishing interests. Len Heath intends to stay active, following up some of the marketing opportunities that have caught his eye in the past few years.

● LAMBS NAVY Rum is to pioneer the largest poster space taken on the London Underground—48-sheet sites as opposed to the largest currently used, the 16-sheet size. The poster sites have been specifically placed at main line and interchange stations to attract seasonal traffic. David Williams and Ketchum handles the account.

● THE SKOL lager advertising, estimated to be worth £750,000 a year, has been placed with BBDO by Allied Breweries. The reason for the change is the desire for a "fresh approach." The bottled and draught versions have been with Doyle Dane Bernbach for about four years and the special strength was launched in April 1974 by Young and Rubicam. The lager market is very buoyant at the moment and the switch brings the business back to BBDO which launched Skol in 1958.

● ONE of the longest surviving relationships in advertising, between Whites and the Crown Agents, has come to an end. The agency looked after the advertising for over 100 years but now the account, worth around £400,000, has moved to Royds

● AYER BARKER Hegemann in competition with two other agencies has been appointed to handle the £125,000 Burnley Building Society account.

● INTERLINK Advertising is to handle the advertising for a new GEC range of radios and also for its colour televisions. GEC's current agency, Biggs Communications Group, will continue to handle GEC's audio equipment and portable TVs.

● W. S CRAWFORD has won the Mallory Batteries £200,000 account from Allardyce Hampshire. This brings new business for Crawfords this year up to £2m.

● BUPA has appointed Hartshorne Joyce to handle its £200,000 account as from January 1. Presentations came from a shortlist of five; the existing agency, Saward Baker, did not repitch.

● CHETWYND and Partners has been appointed to handle the newly merged Magnet and Planet Building Society account. The new Society will spend £75,000 on a spearhead campaign in the national and provincial Press. Previously Chetwynd handled the Planet account.

The Press mixes it

BY PAMELA JUDGE

NEWSPAPER and periodical publishers have joined together for the first time in a drive to point out the merits of combining Press advertising with the use of TV—known in the trade as mixed media scheduling.

"Maximise your media opportunities" is the title of a new brochure, produced by the Press Communications Research Committee, which illustrates real, but anonymous, mixes for 14 different types of advertiser.

In the case of instant coffee, for example, a schedule in London was used to simulate comparison between a 100 per cent. TV campaign and a mixed schedule on the same budget. Broadly the conclusions show an improved coverage for heavy-medium users of instant coffee, and increased coverage of medium light, light and non-ITV viewers with the mixed approach. In the case of a draught beer there are reduced costs per thousand in the advertisers' target of heavy or medium draught drinkers.

In answering the question "what does the advertiser gain?" the Committee makes five points for a mix. There is a much more even distribution of advertising exposures across the target audience—fewer see to many times and fewer see too few; there is a much better reach of light TV viewers, there is an overall increase in numbers reached: an increase in effective coverage (those who would se an ad. four times or more) and a lower cost per thousand opportunities to see. (These points particularly relate to tyre and beer campaigns, but they also apply in some degree to the other research.)

This week 5,000 copies of the brochure are being distributed to advertisers and agencies who have been spending a high proportion of their budgets on TV. Altogether 10,000 copies were printed and are available free from the Newspaper Publishers Association. If a reprinting is necessary, a charge will be made for the brochure.

● BENTON AND BOWLES has bought a controlling interest in Weber and Sorensen, Copenhagen, a leading Danish agency with billings of £1,226,000. The agency will be called Benton and Bowles A/S., with John Anderson and Henning Harboe as joint managing directors.

● ROE DOWNTON has been appointed to handle advertising, including package design, print and P.R., for the retail division of Halls Homes and Gardens. Halls expects the budget for 1976 to exceed £200,000.

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Head Office Editorial & Advertisement Offices:
BRACKEN HOUSE, CANNON STREET, LONDON, EC4P 4BY.
Telephone Day & Night: 01-248 8000. Telegrams: Finantimo, London
Telex: 886341/2, 883897
For Share Index and Business News Summary Ring: 01-246 8026

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THURSDAY, DECEMBER 4, 1975

Cabinet cross currents

A GOOD deal was said at yesterday's meeting of the National *Economic Development Council* about the promotion of exports, and the Government spokesmen were not slow to point out that countries of the OPEC and Soviet blocs—with which trade is particularly buoyant at the moment—tend to favour package deals in which the government of the exporting country has an important co-ordinating part to play. But the meeting as a whole seems to have been rather a dull one, after the half-successful attempt at the last Chequers meeting to get tripartite talks about the solution of economic problems under way again, and there seems to have been little discussion, in particular, of the vexed issue of import controls.

The Government, which has been under open pressure from the TUC and perhaps less open pressure from other interests to take action on this front for many weeks past, has fought a *long delaying action. The Prime* Minister seems to have supposed that he received the tacit consent of other heads of state for some kind of limited U.K. action on imports at the recent Summit conference, but subsequent remarks made on behalf of governments which had been represented there suggest that he may have been over-sanguine *about their attitude. Again, the* dispute at this week's meeting of EEC heads of state was centred on the U.K. wish for separate representation at the coming world energy talks, but the heart of the matter was a reluctance to see this country get away with the claim to be a special case.

Import controls

The external arguments against the imposition of import controls have therefore been strengthened during the past few weeks of delay and discussion. These include not merely the straightforward risk of retaliation, at a time when some other industrialised countries have even more reason than we ourselves to be concerned about the social and political effects of high unemployment, but the danger of making our*selves still more unpopular with* our trading partners and of discouraging the movement, which *the U.S. Administration* has been tentatively trying to set going, towards a fresh attempt to ease restrictions on world trade.

But the internal argument against all but the most limited and temporary controls is also strong. In the first place, it makes little sense to hold down the profitability of U.K. industry in general for the sake of slowing down the growth of retail prices and lessening the inflationary expectations of wage-earners while at the same time banning the entry of low-cost imports and increasing the profitability of domestic firms which are, presumably, relatively inefficient. In the second place, the drastic reshaping of various U.K. industries to meet overseas competition, about which the Government is so keen, is more likely to be held back than accelerated by action which protects them against *such competition.*

Messy compromise

The level of unemployment in the U.K. at present is certainly high and likely to go on rising for a good few months to come. For this reason alone, there are likely to be differences of opinion within the Cabinet about the proper course to *take. It may be significant that* in the Commons on Tuesday, while the Chancellor (in the Prime Minister's absence) was re-emphasising the need to maintain some kind of incomes policy after the present phase expires, Mr. Michael Foot was agreeing that "much more far-reaching measures" than those so far taken would be needed to deal with unemployment. The decision on import controls, when it is finally announced, is likely to be a particularly messy compromise — as one might indeed guess from the apologetic tone of the Chancellor's reference to the subject yesterday evening. One can only hope that the Prime Minister and the Foreign Secretary have learnt enough from recent experience to back those of their colleagues who want action in this field, if some action is unavoidable, to be as restricted *and short-lived* as possible.

More bad news for Mr Brezhnev

IT HAD been increasingly obvious as 1975 wore on that the Soviet economy was in trouble. The harvest was plainly heading for a disaster of unprecedented proportions and the country's heavy borrowings abroad pointed to a widening gap between what it was striving for and what it could deliver. Even so, the report delivered to the Supreme Soviet by the Planning Commission chairman, Mr. Baibakov, painted a far gloomier picture of the Soviet economy's immediate *future than expected.*

Mr. Baibakov announced that next year's industrial growth target will be less than two thirds of the average rate achieved in the last five years, which means that the Soviet economy will advance at its slowest rate since the war. Also the target for light industry which produces consumer goods has been cut right back to 2.7 per cent., its lowest ever.

Policy switch

However, it would be premature to conclude that next year will be quite as bleak as these figures suggest because they could conceal important switches in policy. The growing emphasis on quality as opposed to quantity might account for part of the lower industrial output targets, which only reflect volume. This would fit in with the drive to improve standards which is expected to be a major feature of the next Five Year Plan which begins in January.

Neither should one ignore the fact that, as the Soviet economy becomes more advanced, its natural growth rate will decline from the high annual rates of 7 per cent. Considerable progress has been made in recent years, and there were strong hints, even before the present troubles began, that the coming period would be one of consolidation rather than continuing all-out expansion.

Nevertheless, the cutbacks cannot be completely accounted for in this way, and it must be assumed that the Government is grappling with serious problems *of which the failure to organise* agriculture properly is only symptomatic. Bottlenecks, particularly in the supply of raw materials and construction, persist; inefficiency at managerial level as well as on the shopfloor is an openly acknowledged problem; and labour productivity is still disappointingly low. But of these weaknesses, the failure of material supplies to keep pace with industrial demand is probably the single heaviest brake on the economy, and a massive Comecon-wide effort is being launched next year to do some*thing about it.*

Party congress

This crisis could hardly have come at a worse moment. Not only is the Soviet Union preparing for a Party Congress held just once in five years when progress will be reviewed and the way forward charted to 1980. It is also the latest in a *series of setbacks affecting* Mr. Brezhnev and his party colleagues who must now be scraping around for good things to say to the assembled faithful. Viewed from the west, their position is not enviable; détent could run out of steam unless a SALT agreement is reached to restore the West's confidence in it: there will not now be a conference of European Communist parties before the Congress: economically not only the Soviet Union but the whole of Comecon faces a difficult year.

It is perhaps significant that in the middle of all this Mr. Baibakov forecast continued expansion of East-West trade next year. This suggests that the Russians do not want to retreat into autarky, if they can help it, which is what they have historically done when times are bad.

In the first of two articles on Europe's energy needs, **Ray Dafter** examines EEC policies and looks at what the European Community summit has achieved despite the heated exchanges which led to Britain's dropping its demands for a separate seat at the North-South conference on energy and raw materials

Forward with a new approach

THE Government's apparent "climb down" over its demand for a separate seat at the *forthcoming* world energy conference in Paris may well turn out to be a significant strategic victory: the compromise worked out at the EEC summit meeting in Rome this week embodies four important principles.

First, the unity of the Community has been maintained at a time when member countries are at last getting to grips with a common energy policy. A "go-it-alone" stance by Britain might well have dented that unity. Second, the U.K. has secured agreement from the Eight to back plans for a minimum safeguard price for North Sea oil. This in effect would be a safety net should world prices tumble. *The third* principle is that Mr. Harold Wilson appears to have succeeded in winning France's backing for an oil-sharing policy in times of crisis. Finally, he has still retained the right to put Britain's special energy case when the conference on energy and raw materials is held in Paris later this month.

This separate voice is war*ranted, for Britain will have a* special role to play in Europe's energy plans, at least in the next 20 years or so. By 1980 Britain should be producing between 100m. and 130m. tons of oil a year, making it the only country in the EEC self-sufficient in energy. By 1985 Britain's North Sea and Celtic Sea oil could account for 90 *per cent. of the EEC's* total oil production and around 45 per cent. of total Community energy output.

Following Britain's compromise package agreed at this week's EEC summit in Rome, one of the next major issues to be *determined by the Community is the minimum* safeguard price for North Sea oil. Herr Helmut Schmidt (left), the West German Chancellor, has mentioned a figure of $7 a barrel. But Mr. Harold Wilson (right) is likely to press for a figure closer to the current price of around $12 a barrel.

Negotiating ploy

At the same time Britain will *emerge as one of the top ten* oil producers in the world. Clearly Mr. Wilson sees this position as qualification for OPEC membership; the possibility is no longer a joke, as he said in Rome. This statement might well have been a negotiating ploy, however, for it is difficult to see how Britain could reconcile its membership of both OPEC (producers) and the EEC (essentially consumers).

Such dual loyalty would be stretched to breaking point if, for instance, OPEC decided to cut prices as abruptly and drastically as it increased prices in 1973. Few in the oil industry see a rationale for future price *cutting action: after all, as time* passes, Middle East producers will become increasingly dependent on current revenues to support their ambitious industrialisation programmes. Nevertheless, it is a possibility and one which could undermine confidence in North Sea oil development.

This is why Britain has been pressing hard for a minimum *safeguard price within the* EEC. Now, thanks to the Rome compromise, it seems that the Eight have agreed to back the move. France's apparent agreement is particularly interesting for, until now, she has resisted such an arrangement. In addition France has refused to join the wider International Energy Agency which, in March, agreed *in principle to the concept of* a minimum safeguard price.

Now comes the haggling over the level of the safety net. Herr Helmut Schmidt, the West German Chancellor, this week mentioned a figure of $7 a barrel; the EEC and IEA have been looking at a range of $6-$9 a barrel—a substantial drop on the current price of around $12 a barrel but still well above pre-crisis levels.

ENERGY CONSUMPTION IN WESTERN EUROPE (%)

	Solid Fuels	Petroleum Fuels	Natural Gas	Hydro/nuclear electricity	TOTAL (million barrels a day of oil equivalent)
1964	45	43	2	10	15.3
1969	31	54	5	10	19.3
1974	22	55	13	10	23.0

Source: Royal Dutch/Shell Group

EEC ENERGY REQUIREMENTS (%)

	1973	1985*	EEC Objectives for 1985: With 50% dependence on imports	EEC Objectives for 1985: With 40% dependence on imports
Solid fuels	22.6	10	17	17
Oil	61.4	64	49	41
Natural gas	17.6	15	18	23
Hydro-electric power and geothermic power	3	2	3	3
Nuclear energy	1.4	9	13	16

* Based on estimates before 1973 crude oil price rises

Source: EEC

British sector investment

Naturally, Britain is urging the highest support price possible and some support for this view appears to come from M. Henri Simonet, vice-president of the European Commission and Commissioner for Energy, who said in London last month that even a *modest fall of $3* a barrel in real terms in the world oil price over the next five years might put many offshore fields in trouble. Some £1.9bn. has so far been invested in the North Sea. M. Simonet said that by 1980 £5bn. might have been invested in the British sector, with more on ancillary facilities. "If a signi*ficant proportion of this invest*ment was to go sour it would be a major catastrophe for the U.K. economy."

If this happened, the EEC would be seriously affected. The North Sea is due to play a key role in the Community energy policy: first, as an indigenous source of oil and gas supplying up to 12 to 15 per cent. of total energy requirements by 1985; and second, as a privileged source of imports worth perhaps a further 5 to 7 per cent. of needs coming from Norway.

As things stand, North Sea oil reserves are likely to last for 10 to 20 years. Department of Energy estimates put possible reserves from the 10 fields declared commercial at 1.16bn. tons. The top figure for possible reserves from all finds under existing licences is 2.95bn. tons.

Professor Peter Odell, director of the Economic Geography Institute at Erasmus University, Rotterdam, an authority often quoted on energy matters, takes a more optimistic stance (as usual, he criticises oil companies for being ultra-cautious). Suggesting that West European indigenous oil production should last longer than currently foreseen by producers, he told a London University lecture audience recently that the North Sea basin in itself offered "the possibility of a long-term supply of indigenous oil capable *of bringing* the dependence of Western Europe on foreign oil down to almost a derisory level."

Appealing to the energy "haves" and "have nots" to help each other in the coming years, he said that those that have oil and gas supplies—Britain and the Netherlands—should agree to a rapid depletion policy and receive a somewhat more *modest* price for each barrel sold than that which could be obtained short-term on the OPEC-controlled market. In return, the "have nots" should use North Sea oil on long-term arrangements in preference to other oil, even if the OPEC cartel introduced much lower prices.

National plans

The concept of two classes of nations (the haves and have-nots) is one which has dogged the formulation of a cohesive energy policy up to now. Mr. Wilson's outward determination *to have a separate seat* at the world energy talks cannot have helped to end this division.

Nevertheless, in spite of this shaky start, a new approach to EEC energy policy is beginning to appear. The Commission has apparently dropped the idea of formulating a grand scheme from the centre: instead it is adopting a more pragmatic *posture and taking* existing national energy plans as a starting point.

Despite the obvious difficulties of finding an *acceptable* package—individual countries have hardly come to grips with their own energy policies let alone a Community one—the Nine have already achieved more than is often acknowledged.

They have, for instance, agreed on restrictions on the use of oil and gas in power stations and on the maintenance *of minimum stocks of* fuel in case of another energy emergency.

More fundamentally, however, the Nine are firmly committed *to an energy* conservation policy—using, as in Britain, the pricing mechanism to a varying degree—and to a programme to replace imported oil with alternative fuels. The early success of conservation measures has been clouded by the general economic recession, but the two influences combined led to 7 per cent. less energy being *used in Western Europe* last year than previously forecast. The decline has continued to the extent that consumption this year is some 15 per cent. down on forecasts. (In the U.K., demand for oil products for the first ten months of this year fell by 11.7 per cent.).

Even if the EEC economy grows at 4 per cent. a year over *the next ten years, it is expected* that an energy conservation programme should ensure that overall energy requirements do not grow at more than 3 per cent. a year: a saving of perhaps 250m. tons of oil equivalent in 1985.

The European Community has, as a basic aim, the intention of reducing its dependence on fossil fuel imports from the present 60 per cent. of energy requirements to around 50 per cent. and, possibly 40 per cent. by 1985. At the moment, the 50 per cent. ratio looks the more likely, although much will depend on the speed of nuclear power expansion in Europe.

On current projections nuclear power would need to provide the EEC with 16 per cent. of its energy requirements if the Community is to reach its target of 60 per cent. self-sufficiency. This is a big leap from the 1.4 per cent. share provided by nuclear power in 1973 and the 9 per cent. forecast for 1985 made in the pre-crisis days before the 1973 oil price rises.

The more *optimistic* projections for the use of nuclear fuel put the amount of installed EEC capacity at 200,000 to 225,000 MW (electrical) by 1985 whereas current national plans indicate a capacity of nearer 160,000 MW with France and West Germany having the most ambitious programmes. But even this lower figure is now beginning to look doubtful.

Demarcation disappears

As countries like Germany and France develop these alternative energy sources—in line with EEC policy—and the coal and nuclear industries receive a new impetus, so the demarcation between the "haves" and "have-nots" will disappear.

Not that the descriptions are really fair. After all, North Sea hydrocarbons are not a gift to Britain. They are being won, along with other energy developments, at a cost of some *3.5 per cent.* to 4 per cent. of the gross domestic product.

The discovery of the offshore oil and gas could not have been more timely, either for Britain or for the EEC. How long this source of energy lasts is a debatable but, at present, an unknown factor. Consequently, it might be somewhat short-sighted of Britain to thumb its nose at the other Eight. Recent history has taught the lesson of presenting a united front in a crisis. Next time—if there is to be one—Europe should be better prepared *to* withstand any major disruption of external energy supplies. Mr. Wilson's decision to concede his seat at the energy talks recognises this fact.

MEN AND MATTERS

Difficult time for Illingworth

Illingworth Morris, the Yorkshire wool textile group which has made a habit of acquiring strategic and sometimes unwelcome stakes in other wool tex*tile concerns, could find itself* facing a prolonged period of uncertainty over a large block of its own shares. This follows the death in the Carlton Hotel, Cannes, yesterday of its chairman, Maurice Ostrer.

Ostrer died at the age of 79, three months to the day after the death of his brother Isidore who was in his late 80s. Between them the two men are thought to have owned some 53 per cent. of the combined voting and non-voting equity in the company. IM's problem is that although both spent a large part of their time in the South of France in recent years they both took the unfashionably patriotic view that as their money had been made in Britain they should pay taxes in Britain; they retained their status to the end as U.K. residents for tax purposes, maintaining a property in Sunningdale.

Thus if the family, which is expected to be the beneficiary under the wills of the two men, now with probate, wishes to retain its controlling interest in the IM—Britain's biggest wool textile group—it will have to raise a substantial sum to pay off the massive capital transfer tax which will now be incurred. If on the other hand the family decide to sell out there is the prospect of a large block of shares, voting and non-voting, coming on the market.

In that case there are several apparent possibilities. First, an attempt could be made to place the shares with major institutions, or there could be an arrangement with an interested party if one emerges to acquire the shares. That however raises the question of whether the Monopolies Commission or the Office of Fair Trading would be happy to see one of the established textile giants picking up a substantial chunk of the wool textile sector. The *family could, alternatively,* decide on a partial share sale to finance the payment of capital transfer tax.

To further confuse matters the deputy chairman Mr. *Donald Hanson is currently in* India and therefore in no position to clarify these issues. In recent years the Ostrers have tended to visit the company's headquarters outside Bradford infrequently but are known to have exercised a strong influence over the company's development. (Isidore was apparently the *eminence grise,* although not on the Board, passing on his ideas through Maurice.)

. . . and Creation

Last month I revealed that Creation, the Dublin-based printing and publishing group was in financial difficulties. It has now gone into receivership, creating an interesting situation with regard to its most important publication *Business and Finance*—which is Ireland's leading financial weekly business magazine.

Although Creation as an entire company seems doomed there is no shortage of takers apparently for B. & F. Yesterday Michael Smurfit, managing director of Jefferson Smurfit, confirmed that although he had dropped plans to bail out the whole group he was still interested in the magazine.

Meanwhile the *editor of the* magazine, Bill Ambrose is organising a group of around 15 prominent Irish businessmen prepared to put up between £1,000 and £2,000 each with a view to bidding for the magazine. The third party on the scene is Hugh McLoughlin who was managing director of Creation with a 15 per cent. share stake, but who now concentrates on running his own newspaper—the highly successful *Sunday World*—has also announced his intention to bid and should he fail to get control, to start up a new magazine called *Business World.*

The final arbiter in the fate of the magazine will be Laurence Crowley, who has been appointed receiver to Creation. He is continuing to run the group while actively seeking offers from all interested parties. *Business and Finance,* he says simply will go to the highest bidder.

"He took his chair to the *summit,* but no one asked him to sit."

Up the creek

It is now common knowledge that writs are flying around in New York and Frankfurt because of the Nigerian cement fiasco. But while the cement suppliers and shippers are grabbing the headlines in their attempt to secure payment for this powdery commodity, the imminent demise of a small British victim of this giant mess-up should not go unrecorded.

Africa Container Lines of Bond Street London has an*nounced that it is to cease trad*ing and has called a creditors meeting for December 18, largely because of difficulties of unloading their chartered ships (none of them carrying cement) at Lagos. Apapa harbour at Lagos has been consistently gummed up for months as convoys of ships arrived with consignments of the 20m. tons of *cement ordered by the Nigerian* Ministry of Defence before the recent coup.

A small business, employing 20 people in London and a handful more at their office in Creek Road Apapa, Africa Container Lines, has found it hard going to meet its charter payments as its ships lingered in the queue long after schedule to unload. The company says that owners of its eight chartered vessels had been fully consulted before the decision to cease trading.

The owners, thought to be German, have no doubt taken *the news through gritted teeth* since some of their vessels are still waiting in Apapa to unload their general cargo containers. The Nigerians have introduced special measures to clear the log jam caused by the cement ships, but normal trading at Apapa still appears to be months away.

Xmas spirit

With the festive season approaching I offer a Christmas *carol for German psychiatrists:* "God rest ye Jerry mental men."

Observer

ECONOMIC VIEWPOINT

BY SAMUEL BRITTAN

Depression in the eye of the beholder

[A]CCORDING TO THE latest [N]ational Institute Review, the [ec]onomic outlook is "perhaps [th]e most depressing since the [Re]view was launched in 1959." [It] may be, however, that [de]pression lies in the eye of the [be]holder. One of the few [fa]miliar and even cosy land[ma]rks of the post-war scene, [wh]ich remains in position [de]spite all the doom talk, is the [fou]r-year business cycle. Indeed, [th]e new NIESR Review is [lar]gely devoted to charting the [cou]rse of the business recovery [no]w in prospect.

The moderate nature of the [re]covery would itself be a cause [for] optimism, even if one [be]lieved that it will be as [con]strained as the National [In]stitute thinks; and on the [wh]ole that body has tended to [un]derestimate upturns and over[em]phasise the danger of exces[siv]e slack.

Dangers

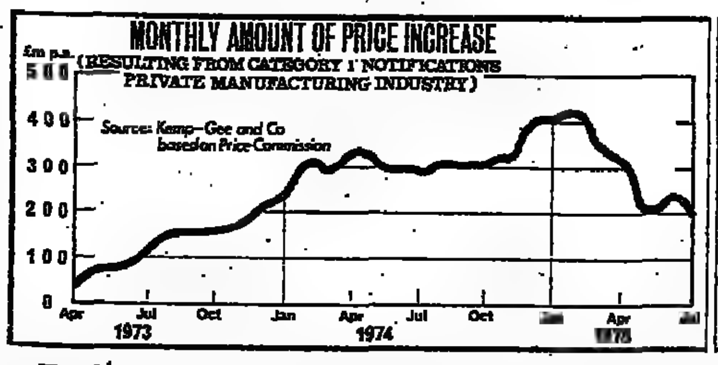
The real dangers lie in three [dir]ections. The first is in Gov[er]nment attempts to help a [re]covery by stoking up demand. [Th]is need not be done by [an]nounced acts of major refla[tio]n: it could come about [thr]ough a passive attitude to [mo]netary expansion and a re[luc]tance to face the higher [int]erest rates or lower Govern[me]nt spending which may be [nec]essary to finance the public [sec]tor borrowing from outside [the] banking system.

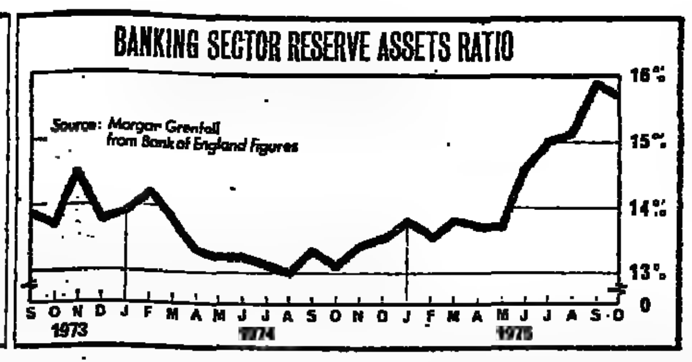
The second danger is a foreign [exc]hange crisis, defined very [acc]urately by the Review as a "[sh]arp discontinuity in the [exc]hange rate or interest rates." [Bu]t this danger does not arise [fro]m the current deficit, esti[ma]ted by the NIESR at £2-2½bn. [in] both 1976 and 1977. Econo[mi]sts, as well as politicians, [sho]uld read Mr. Enoch Powell's speech in the Commons last week on the irrelevance of the statisticians' current and capital account distinction under a floating rate. The crisis would arise either from Government overseas borrowing to hold up a wrongly valued exchange rate, or from an attempt to keep domestic interest rates down artificially at a time of rising activity and heavy public sector borrowing.

The third danger is that the combination of a temporary cyclical downturn in the rate of inflation and the fashionable belief in incomes policy will discourage both Whitehall and the business world from taking the necessary measures required to live with double digit inflation. The first two dangers have been features of all previous cycles; the third is new and interesting, in view of the much higher inflation rate around which price fluctuations now take place.

Mr. Terry Burns of the London Business School has remarked (in a paper for Laurie, Milbank) on the extraordinary similarity in the length of the last five cycles, none of which has been less than 50 or more than 54 months in duration. The Central Statistical Office output and consumer spending indices showed a fall in the third quarter, but a much smaller one than earlier in the year. This — together with many signs from industry, ranging from ICI's reported turnaround in orders to the improvement in advertising revenue — suggests that the National Institute could be right in supposing that output may have already stopped falling.

Nevertheless, the true bottom of the cycle is reached not when output levels off but, as Mr. Burns insists, when its growth recovers to the trend rate, usually regarded as 2½-3 per cent. On the National Institute forecast; this will not happen until the Easter quarter of 1977. Hence its view that unemployment will continue rising on unchanged policies — although at a much lower rate — until well into the year after next.





The downward drop in notifications to the Price Commission is among the evidence suggesting that the rate of inflation was beginning to turn down before the Government embarked on the £6 pay limit. On the other hand, the build-up of bank reserve ratios so far above the 12½ per cent. minimum is a sign of the monetary pressures which make it unlikely that there will be a sustainable drop in the inflation rate to single figures.

U.K. UNEMPLOYMENT* 1975	
July	630,000
August	683,000
September	797,000
October	754,000
November	826,000

* Under 60-year-olds (excluding adult students) unemployed for more than four weeks. Not seasonally adjusted.

Source: Department of Employment.

One reason for regarding this forecast as too pessimistic is the Institute's prediction about stocks. The estimated stock deceleration this year—£800m. in 1970 prices — is by far the largest recorded in 20 years; yet the Institute suggests that companies may wish to push the stock ratio down still lower until company liquidity, which is already improving, has been rebuilt further.

My own inclination is not to quarrel with the specific items such as stocks, savings ratios or exports, about which other forecasters are likely to argue, but to look at the historical pattern. If we simply follow the average path of past cycles, the turning point will be reached in the second quarter of 1976, after which output will be rising sufficiently quickly to halt or reverse the unemployment trend. So far the cyclical movement has been on schedule. In fact, many of the financial indicators, including interest rates and equity prices, turned round earlier than normal. The CSO index of "longer leading indicators" has, despite a few wobbles, been moving sharply upwards for over a year.

Of course, I do not expect an exact replica of any past cycle. One distinct possibility, if the U.S. is anything to go by, is a sudden output spurt some time in 1976, associated with a once-for-all stock turnround. This would be followed by a relapse to growth rates more gradual but more prolonged than in past upturns. It is then that the temptation for governments to stimulate (whether by action or inaction) would be greatest.

Some of the relevant issues have been raised by Mr. J. A. Bispham, the previous editor of the NIESR Review, who has, like so many anti-monetarists, joined the Bank of England. In a valedictory utterance, he takes me to task for an article published in the Financial Times on March 9, 1972, in which I doubted whether unemployment could be reduced to traditionally low levels, such as 2-2½ per cent., by means of a "Keynesian" boost to spending power. This was at a time when the Institute was advocating a £2.5bn. stimulus.

On the whole, one would rather have publicity than not; but it is irritating to be represented as having put forward the "crowding out" thesis, or to have been talking about the short run, neither of which I was doing. As for the "relatively painless monetary cure for inflation" with which I am tagged, this exists mainly in Mr. Bispham's imagination. The article, Spending Ourselves into Prosperity, put forward the now familiar view that there was a minimum sustainable rate of unemployment (the so-called "natural rate"): and that as inflation begins to be anticipated "the monetary pump needs to be turned faster and prices allowed to rise more rapidly to secure any given benefit to employment."

Happened

This is precisely what happened in the 1972-73 upsurge, when the then Chancellor, on paper at least, reflated by less than the NIESR recommended. Unemployment indeed fell back temporarily to 2-2½ per cent. for a brief period at the end of 1973; but the boom could not be sustained and unemployment is now 4.5 per cent. on the usual all-embracing definition.

Unfortunately, these disputes are not all water under the bridge. For there is a good chance, even after "selective import controls," of a fresh unemployment scare leading to a familiar response. Mr. Denis Healey has been congratulated for having refrained from major "reflation" despite high unemployment. But, as Mr. Burns has emphasised, on previous form it would not be until next March that we could expect even the earliest reflationary measures, which in the past took the form of reductions in hire purchase restrictions and in the tax on cars. It is true that all numbers, whether unemployment or inflation rates, are higher than last time round; but it is the position in the cycle that matters most.

Diverted

Popular attention has been diverted from the unemployment figures because the departure of students and school-leavers from the register has more than balanced the underlying increase, which has been running at over 35,000 per month. Seasonal forces, and the return of students and school-leavers, could easily push the crude total up from 1.1m. to 1.3m. in January or February (unless the coverage is changed).

Unemployment is a lagging indicator; even if economic recovery is well established by next spring, it may not be until after the summer holidays that the trend of the jobless is seen to have turned. The corrected unemployment totals excluding short term job changers, now published but unpublicised by the Department of Employment, also suffer from this lag (as well as from wobbles derived from the school-leaving pattern).

The right approach is fairly clear. Once it is apparent that the underlying trend of unemployment is likely to be downwards, we should not seek to improve matters any further through demand management but should tackle the jobless problem through measures such as retraining, improving mobility and dealing with union overpricing of labour. One should not remain silent because union monopolistic practices, and the rent control and subsidy obstacles to mobility, are politically sacrosanct. What is politically possible changes.

Welcome new official figures show that even this autumn, when over 400,000 people a month have been joining the unemployment register, a little less than 400,000 have been leaving it. Once these two flows are in balance, the problem will not be that of an absolute shortage of jobs at going wages but of the speed at which people can be placed.

Hard-hearted

Those who regard the suggested approach as hard-hearted should ask whether it would be better to have yet another "dash for growth" followed by another severe check, during which people will once more be sacked at a greater rate than new jobs become available.

What is likely is something in between "learning our lesson" and another inflationary explosion. Although the trend of the past two decades has been for each cycle to reach an average greater inflationary height than the preceding one, there is no God-given predictability or regularity about it. The biggest inflationary explosions have been in the aftermath of war, including the Korean and Vietnam confrontations. Thus, it is quite on the cards that the inflation rate after the next boom will not reach 25-30 per cent. even in the U.K. On the other hand, it is most unlikely to go down to single figures, except for extremely brief periods of a few months. Over a cycle of cycles the pressures are still towards accelerating inflation and increasing economic and other tensions for countries which remain democratic.

Letters to the Editor

[R]isks and [r]ewards

[Fro]m Mr. P. Franklin.

[S]ir,—Your leader of December [ac]curately identifies one of the [cen]tral concepts underlying the [wor]kings of the market economy: [a] manager's risks and rewards [shou]ld in some way, be related: [and] one way of achieving this [wil]l is through share option [sch]emes whereby the rewards [of] management and the overall [succ]ess (profitability) of the [firm] are directly and intimately [rela]ted.

[T]he risks that management [mus]t more generally bear, how[eve]r, are frequently more funda[men]tal, involving either the [firm]'s continued existence, or [the] prestige and status of the [man]agement group within sur[vivi]ng firms. That is, two parti[cula]r risks can be identified. [Firs]t, the risk of failure; cur[rent]ly very real. For example, [fina]ncial and marketing policies [not] consistent with changes in [the] economic environment, or [in] the firm's markets, may [seri]ously result in financial [loss]es and ultimately bankruptcy. [Seco]ndly, the risk of take-over: [shou]ld managers' decisions result [in a] firm's Stock Market valua[tion] falling below that held by a [pote]ntial takeover raider, then [man]agement, their firm are [like]ly to be consumed and [abso]rbed by a more successful [man]agement and in the U.K. [freq]uently a competitor.

[In] these senses management [face]s a risk; in all they enjoy [rewa]rds for success and suffer [for] failure. However, for suc[cess] to be rewarded appropri[atel]y—that is, in any of the [thre]e ways considered above—[the] so-called market economy [has] to be efficient; that it has [not] been so, and that imperfec[tion]s exist, at least partially [expl]ain the system's failures—[for] example, the Rolls-Royces, [the] British Leylands and the [cra]wlers of our economy. Simi[larl]y its imperfections also [like]ly explain the inconsis[tenc]ies of the market for cor[pora]te control; how, otherwise, is [it po]ssible to explain why some [inef]ficient firms are not taken[over], while some efficient ones [are].

[Ac]cordingly, it is the efficacy [of t]he U.K.'s market economy [whic]h should now be under [atten]tion; rather than eulogise [its v]irtues; of which there are [man]y, it is surely time to pro[pose] fundamental changes in [some] of its characteristics—for [exam]ple, the existence and [degr]ee of monopoly power, and [the] role, nature, quality and [quan]tity of information. Indeed, [it is] surely by adopting such a [polic]y approach that the efficacy [of t]he market economy can be [incr]eased. That is, by making [the] threat of takeover (and [failu]re) more real, and by [adop]ting industry-wide share [optio]n schemes of the type men[tion]ed in your editorial, then not [only] will managers' and share[hold]ers' objectives become more [coin]cidental, but also the risk[-taki]ng reward-taking relation[ship]s — previously more hypothe[tical] than real—will become a [real] force in generating the in[dust]rial policies and perform[ance] which are now the aim of [the] present administration, the [trad]e unions and of shareholders [and] employees.

[Pete]r J. Franklin,
[Seni]or Lecturer in Economics.
[City] of London Polytechnic
[Scho]ol of Business Studies,
[84,] Moorgate, EC2.

[S]upport for [d]octors

[Fro]m Mr. F. Stark.

[Si]r,—I feel the Press has [grea]tly underestimated the [volu]me of public support there is for the doctors in their dispute with the Government. They have far more public sympathy than ever the miners had. And the reason? The absolute instinctive certainty that if it were again the miners threatening the pay code this Labour Government would bend the rules with little, if any, hesitation.

F. Stark.
Highlands, 176, Southend Road, Wickford, Essex.

Queue jumping is essential

From Dr. D. A. Jennings.

Sir,—Joe Rogaly has his tongue in his cheek when he tries (December 2) to distinguish between excluding private patients from public hospitals and excluding private practice altogether. Anyone with any knowledge of scientific medicine would want serious disease to be treated either in a large hospital or in a private block closely linked to a hospital. The skills and equipment needed for possible eventualities are enormous. Only a fool would wish his internal cancer to be treated in a small nursing home and only a knave would agree to treat him.

Class warfare is driving us crazy. It is crazy to assume that the purpose of the private bed is to earn money for the consultant and to enable the private patient to jump the queue and have privacy. Private beds benefit society as a whole and Barbara Castle must know this. If Harold Wilson has an important conference abroad, must he wait until he gets home to have a minor discomfort put right? If a surgeon is unable to concentrate on his operations because of painful piles, must we have an inefficient surgeon for a year because that is the waiting time for non-urgent surgery? The meaning of the word "urgent" depends as much on social circumstances as on medical ones. What applies to the politician and the surgeon applies equally to the works engineer in a small factory in a small town. Some individuals are more valuable to society than others who can go off work and not be missed. Ideally, there shouldn't be any queues for anyone; but if there are queues, queue jumping is essential. We must clear a path for key men to hospital, just as we clear the roads for a police car or the fire brigade.

Apart from its direct benefit to society, the private bed indirectly helps by improving the NHS. Some of the ablest men in academic and State service are tempted to concentrate on rare diseases and on diseases where there is little effective treatment. Stereotyped successful treatment of common disease is left to juniors. Too many resources are devoted to research and new treatments; too few resources go to maintaining standards of conventional treatment. Private practice forces the leaders of the medical profession to cover the whole field of medical care and also to think more about patients as individuals. Before the war I went to work in a German university clinic and was appalled to find 2nd class, 1st class and private patients. Within weeks I was converted. One can't be a leading consultant without spending 80-100 hours a week on medicine for many years, and one can't spend so much time on medicine without losing contact with other fields of human interest. The bureaucratic scientific doctor can lose the human touch unless he is exposed to the silent and friendly criticism of outsiders better educated than himself. The value of the private patient lies in what he teaches the doctor. It may be the only time when a doctor ceases to be a scientist and feels some of the tragedy of human existence

D. A. Jennings.
Stayuchile,
Budleigh Salterton, Devon.

U.K. living standards

From The Managing Director, Employment Conditions Abroad.

Sir,—Mr. Douglas Jay's comparisons (December 2) between living standards in the U.K. and on the Continent are misleading in two respects. He ignores the effect of income tax and the distribution of income.

Income tax is heavier in the U.K than in most European countries. Further, at middle and higher levels U.K. gross salaries are appreciably below those paid at equivalent levels of responsibility elsewhere. We did a comprehensive survey on this earlier in the year. Taking the average of seven countries—Belgium, France, Germany, Italy, the Netherlands, Switzerland and the United States—gross pay was 100 per cent higher abroad and net pay, after correcting for income tax and the cost of living, was 38 per cent. higher. Admittedly this relationship applied at a U.K salary level of £7,500 and upwards and if the figures which Mr. Jay quotes are correct, then the relationship at lower earnings levels should be more favourable to the U.K.

Since 1970, however, the cost of living in the U.K has been increasing faster than in most other countries and the value of the pound has been decreasing steadily (by about 30 per cent. since the end of 1971). These factors materially affect any projections of 1970 figures and should make us cautious of drawing conclusions from them for to-day's circumstances.

J. H. G. Firth.
Devonshire House,
13 Devonshire Street, W.1.

Rake's progress again

From Mr. J. Leek.

Sir,—Mr. Douglas Jay's suggestion (December 2) that we should concentrate on buying our imports cheaply just as much as we should on increasing our capital investment is based on many omissions, of which a few are rectified below.

No reasons are given why the Organisation of Petroleum Exporting Countries and our other main raw material suppliers should suddenly sell to us at a lower cost than our Continental neighbours, or even reverse the long-term trend for a greater share of international wealth to accrue to the world's basic commodity and food producers.

A substantial part of the increased import costs is caused by the continued depreciation of sterling. A long-term high level capital investment programme could eventually halt, if not reverse, this trend by leading to a marginal improvement in both the quantity and competitive cost of our exports.

Unless France and Germany have been so careless as to lose all the extra capital they have invested compared with the U.K., the results of that extra investment must have begun to pay off some time after 1970. The difference between investing 22 per cent (U.K.) of GDP and 32 per cent (Germany) of GDP will lead to a very great divergence in real income per head after only a small number of years. A similar comparison can be made between two identical companies, which differ only in the size of their capital investment expenditure. The high investor will, for some time show lower profits than its competitor due to greater interest and depreciation charges; after a few years the situation will be dramatically reversed as the lower investor falls further and further behind in terms of current income.

Mr. Jay and those of your readers who think they will be able to afford the FT in December, 1980, may well be content to wait until then to discover, by courtesy of the statistics from the learned bodies quoted, that U.K. living standards in 1975 were substantially lower than those in France and Germany. Those who are prepared to open their eyes and ears when travelling abroad to-day can discover to-morrow's truth five years early.

The moral of all this is that we should beware of any attempts by Mr. Jay, his party, or any other political party to allow us another five years of living on capital simply because the truth, as indicated by international statistics, takes so long to become published.

J. A. Leek.
8, Atherton Drive,
Wimbledon, S.W.19.

Back to hot air balloons

From Mr. W. Whalley.

Sir,—Your issue of December 1, contains reports on the future of airports, and the extent of North Sea reserves. These are quite uncoordinated. Forecasts of air traffic are shown rising through to 1990 on the one hand, while on the other North Sea oil will be drying up. Recent statements by the chairman of Exxon about future supplies were decidedly gloomy. The West is burning 50 per cent. more than it is discovering. No new North Slopes or North Seas are currently under development. Increasing difficulty is seen in finding new fields. Synthetic fuels are steadily receding.

Surely the starting point for any examination of the future of airports should be the question "what is the future of aviation?" Where is the fuel to come from, what is it likely to cost? The time lag in relation to solving this problem is likely to be at least as great as that in developing airport facilities, with the added possibility that it might prove insoluble. Failing dramatic new discoveries of oil or other methods of propulsion, the aviation of the 21st century is likely to be hot air balloons burning straw as in Montgolfier's day. Surely it is time our planners took heed of the energy crisis.

W. C. R. Whalley.
105, High Street,
Hungerford, Berks.

Judgment on Concorde

From Mr. R. Morrell

Sir,—Anyone reading your article on Concorde (November 26) would understand from it that the anti-supersonic movement exists only in the U.S. May I remind you that there is a strong body of anti-supersonic opinion in this country too, and in most other countries this side of the Iron Curtain.

The anti-SST case has, so far, been overwhelmed on this side of the Atlantic by commercial interest and taxpayer-financed pro-Concorde PR. It has also been dismissed by an executive system that is less open to public scrutiny than in the U.S., and less subject to self criticism since DoE abandoned the field of aircraft noise to an ambiguously situated DoT.

In the U.S. environmental lobbies have to be taken more seriously; and citizens still have the right to sue airport authorities that permit excessive noise. Consequently the U.S. Government has no choice but to proceed in these matters with a far greater degree of caution, and concern for other people's views, than is the case over here or in France.

R. D. Morrell.
3, Sloane Court East, S.W.3.

Press v. TV ad. rates

From The Advertisement Director, IPC Magazines

Sir,—Like many of your avid readers, I look forward each Thursday with keen interest to Antony Thorncroft's excellent survey of The Marketing Scene.

The less dedicated reader might have been forgiven last week for believing that the Index of Media Rates chart showed TV to be significantly cheaper than the Press media. Certainly the chart clearly showed TV's cost escalation over the past few years in rather a better light than that for the Press.

One very good reason, however, why TV shows up so well on that chart is the fact that 1968 has been selected as the base year. You will probably recall that 1968 was in fact a most abnormal year for TV, when rates soared to a new high level, due largely to poor programming following the change of contracts. Starting with this period as a basis, it's not really surprising that TV has performed comparatively well. If 1970 had been taken as the base year, the comparison would have looked somewhat different.

Another aspect that the chart obscures is the relative cost per thousand audience reached, achieved by each of the media. To be specific, if we take the mass women's weeklies and compare a full colour page (based on the latest readership figures and 1976 rates), with an average thirty second spot, they should still average out about 20p per thousand cheaper than TV in 1976. Certainly the trend in actual costs since 1970 to TV compared with IPC's four main weeklies shows them to be consistently at a lower cost level.

Patrick Barnes.
15-17, Long Acre, W.C.2.

Outrageous sex discrimination

From Mr. R. W. Taylor.

Sir,—The comments reported (November 26) from Mr. Brian O'Malley, the Pension Minister, that the government are unable through costs to lower the retirement age for men, must surely be classed as outrageous sex discrimination. For the furtherance of Men's Lib, may I suggest that the age of retirement for women be increased to 63 years, while that for men be brought down to 63 years, with gradual reductions to 62/61/60, thus meeting the present difficulty without loss of face. After all, would women dare dispute something that for the moment is in their favour.

R. W. Taylor.
74, Valley View Road,
Stroud,
Gloucestershire.

To-day's Events

GENERAL

Price Commission report on food prices in outlying areas.

Lord Ryder, chairman of National Enterprise Board, presents awards by Business and Industrial Panel for European Architectural Heritage Year. London Graduate School of Business Studies.

Mr. Sven Andersson, Foreign Minister of Sweden, in U.K.

Mr. David Ennals, Minister of State, Foreign Office, flies to Zambia for talks of Rhodesia.

PARLIAMENTARY BUSINESS

House of Commons: Debate on Report of Committee on Commons Administration, and second reading of the Civil List Bill. Debate on the Arbury Banks Preservation Order.

House of Lords: Insolvency Bill, Road Traffic Bill, and Fair Employment (Northern Ireland) Bill, second readings. Debate on Government policy towards the Falkland Islands and its dependencies.

COMPANY RESULTS

Bass Charrington (full year).
British Petroleum (third quarter).
Great Universal Stores (half-year).
Mitchell Cotts Group (full year).
Pilkington Brothers (half-year).

COMPANY MEETINGS

Burndene Investments, Edinburgh, 11.
Garford-Lilley, Great Northern Hotel, N., 2.45.
Gomme, High Wycombe, 11.
Grand Pier, Weston-super-Mare, 12.
Guildhall Property, Winchester House, E.C., 12.
Linread, Birmingham, 12.
London Shop Property Trust, Winchester House, E.C., 2.30
Lyndale Engineering, Wolverhampton, 12.
Montague Burton Property Investments, 100, Chalk Farm Road, N.W., 11.30.
"W" Ribbons, Cunard House, Leadenhall Street, E.C., 12.

COMPANY NEWS + COMMENT

B. Elliott forecasts reduction to £2.7m.

TAXABLE PROFIT of B. Elliott and Co., general engineers and makers of machine tools, fell from £2.02m. to £1.36m. in the six months to September 30, 1975, and the directors expect a "similar" result in the second half.

In his annual statement in August, the chairman, Mr. J. Frye said a "good" profit was expected in the current year, although it would not match the record £4.61m. achieved in 1974-75.

Stated earnings during the half year are down from 7.49p to 5.24p per 25p share and the interim dividend is being raised from 1.675p to 1.7875p—last year's total was 3.625p.

Mr. Frye states that the liquid position remains very sound, and preliminary figures for the first few weeks of the second half indicate that the group is not experiencing a further decline in profitability.

The lower level of demand for capital goods reduced the order book from £20m. at March, 1975, to £17m. at September, 1975, but the pattern is by no means consistent and companies supplying the heavier engineering industries have been maintaining a good level of order input.

Although group sales by volume throughout the world have been lower, the effect of inflation has been to produce a slight increase in monetary terms. Higher operating costs coupled with lower volume throughput reduced the overall group margin and thus trading surplus represents 8.6 per cent. of external turnover as against 11.7 per cent. for the whole of last year.

The group is in a "very strong position to take advantage of the return to a higher rate of investment *in new plant and machinery* which must come during 1976."

	Six months 1975	1974	Year 1974-75
	£000	£000	£000
External turnover	22,104	21,112	41,551
Trading surplus	1,896	2,379	3,776
Depreciation	348	342	681
Interest payable	191	220	290
Profit before tax	1,357	2,017	[illegible]
Tax	662	[illegible]	2,038
Profit after tax	695	1,013	2,225
Minorities	102	250	367
Interim div.	268.3	252.1	[illegible]

● comment

Elliott's profit forecast suggests *a pre-tax decline of 37 per cent.* for 1975-76 earnings of about 9½p. But that still leaves the group with scope for a dividend increase this year, and the interim payment is going up by the statutory amount. Elliott's six-month volume is down about 15 per cent., with South Africa moving slowly and merchanting causing most of the damage at home. The group reckons to have seen brisker trade generally in November, and certainly the profit budget suggests that the bottom has now been reached. At this stage, any significant recovery may not be expected until 1977. But Elliott has a strong balance-sheet, and at 54p the shares' prospective yield is almost double the industrial average at 11.6 per cent.—and likely *to be covered close on 2½ times.*

JFB SCHEME APPROVED

Resolutions to approve the early conversion scheme for the 9½ per cent. convertible unsecured Loan stock 1985-90 of Johnson and Firth Brown have been passed by stock and Ordinary share-holders. Holders of £49,026 nominal of the stock elected to continue to hold their stock.

Accordingly, 6,361,918 new Ordinary shares of 25p each have been allotted to holders of the £3,656,471 nominal of stock converted and £69,026 nominal of the stock remains outstanding.

Dealings in the new shares are expected to begin to-day.

INDEX TO COMPANY HIGHLIGHTS

Morgan-Grampian improves

PUBLISHERS OF professional and international journals, etc., Morgan-Grampian, reports a turnround from a loss of £5,000 to a pre-tax profit of £312,000 for the half-year to September 30, 1975. *Profit for the year to March* 31, 1975, was £556,000.

The interim dividend is raised from 0.9660625p to 1.048666p net per 25p share. Last year's total was 2.198305p.

Despite only a small increase in turnover, which reflects a drop in advertising volume, the pre-tax profits from U.K. operations show an *increase from £166,000* to £297,000. Development costs were again drastically reduced because the economic climate is not conducive to the creation of new magazine titles, says the chairman, Mr. F. J. Parsons.

The U.S. subsidiaries made a trading profit, although new magazine development costs continued at a high level. When allowance is made for the differing exchange rates, the pre-tax loss of £119,000 compares rather better with last year's first half £249,000 deficit.

On prospects the chairman says the U.K. business remains sound. The second half is traditionally better than the first and this trend should continue.

	Half year 1975	1974	Year 1974-75
	£000	£000	£000
Turnover	6,734	6,054	12,797
U.K.	2,472	2,224	11,023
U.S.	4,262	3,930	7,770
Trading profit:	619	324	1,097
U.K.	361	412	1,119
U.S.	144	26	*170
Interest rec. less payable	154	79	179
Exceptional debits†	327	341	341
Profit before tax	312	*5	556
U.K.	297	166	[illegible]
U.S. loss	119	249	[illegible]
Int. receivable	134	78	179
Estimated tax	271	184	[illegible]
Net profit	39	*189	71

* Loss. † New magazine development costs: U.K. £41,000 (£295,000 and £412,000 for year); U.S. £267,000 (£273,000 and £364,000); profit on sale magazine titles nil (£27,000 and £245,000). Cost of the interim dividend is £105,000 (£98,000).

U.S. operation continues to demand attention but there is now more evidence that the recent upturn in industrial production is real and continuing. The increase *in business Press advertis*ing that normally follows will have little effect on the second half of this year but should show through in 1976-77, he adds.

● comment

By increasing rates on renewed contracts, Morgan Grampian has managed to stay on the recovery trend in the current year so far—first-half trading profits are 19 per cent. higher—despite a *further* drop in U.K. advertising volume. The lack of advertising demand in the U.K. is reflected by the fact that the first-half start-up costs in this market are more than 78 per cent. down on those of the corresponding period. The U.S., where the group is now operating nine magazines, is continuing to increase its contribution to profits and should enable the group to achieve a normal seasonal pattern (that is, full-year profits of £1.6m. pre-tax) without any change in *the U.K. position.* That is still a long way from a full recovery to the £2.6m. peak achieved in 1973-74, so the real support for the shares at 40p, yielding a maximum 9.4 per cent., must be in the strong balance sheet.

Alpine Drinks progress

FIRST HALF turnover of Alpine Soft Drinks expanded from £2.21m. to £3.48m., and pre-tax profit advanced from £335,078 to £512,169.

The planned geographical expansion continues in the U.K. and the directors confidently predict a "satisfactory increase" in profit for the sixth successive year. *Profit for the year to March 29,* 1975 was £504,879.

The interim dividend is raised to 2p net per 10p share (1.8p). last year's total was 5.6p.

	Half year 1975	1974
	£	£
Turnover	3,491,575	2,214,183
Profit	512,169	335,078
Taxation	266,000	174,000
Net profit	246,169	161,079
Interim dividend	46,757	41,220
Retained	199,412	119,858

Increased costs still cause considerable concern and although sugar prices fell from the peak reached earlier this year, the price paid during the half year was more than twice that ruling over the same period in 1974. Despite these increased costs profit margins have been maintained, the directors state.

● comment

Alpine is continuing its rapid expansion programme in the current year and the group is now well on course to achieve its projected 20 per cent. increase in delivery rounds. The 53 per cent. rise in first-half profits largely reflects the fuller utilisation of the Welsh and Scottish depots which were completed last year, and there should be more to come from these in the second six months. Two more Welsh depots and one more Scottish depot are scheduled for completion before the year-end. The planned increase in fuel costs could place some pressure on margins in the second half but the group should still be receiving some benefits from the last round of price increases in July. So far there *seems no reason why the rapid* growth of the first six months should not be repeated in the second and, since the group still has a strong liquidity position (nil borrowings and a cash balance of £160,000 in the last accounts) it looks well placed to continue expanding. *The shares at 114p* yielding a prospective 8.4 per cent. therefore look reasonably good value.

Profit held by Wagon Industrial

PROFIT, BEFORE tax, of Wagon Industrial Holdings, the hydraulic engineering group, is little changed at £1,004,792 for the half year to September 30, 1975, compared with £1,077,691 and Mr. C. L. Smith, chairman, forecasts that the slightly improving trend in demand announced at the annual meeting will enable year-end results to nearly equal the record £2.24m. last time.

In the first half the company experienced market resistance due to difficult economic conditions and an industrial dispute which caused partial closure of a leading subsidiary. A sound recovery was made in the second quarter despite holidays reducing the group's effective trading activities to less than ten weeks, according to Mr. Smith.

Stated earnings per 25p share for the half year are down from 5.6p to 5.1p and, adjusting for the one-for-three scrip, the interim dividend is being kept at 2.1p net, absorbing £188,353. The directors expect dividends for the year to at least equal 1974-75's adjusted 5.69325p.

	Half-year 1975	1974
	£	£
Turnover	12,393,077	[illegible]
Interest received	9,311	[illegible]
Interest charged	72,297	94,136
Pre-tax profit	1,004,792	1,077,691
Taxation	522,300	550,000
Minorities	17,575	8,125
Attributable Ordinary	460,392	505,181
Preference dividends	4,375	4,375

● comment

Trouble in the main division—Link 51—is basically the story behind Wagon Industrial's 7 per cent. first-half pre-tax shortfall; apart from sluggish demand in the U.K., Link 51 was hit by a 3-week strike in the first quarter and it was as well that export orders, in particular those from the Middle East, did much to restore the balance. Elsewhere, both the traditional wagon repair and nuts and bolts (comprising the engineering division) had a good six months, while the transport side is poised to give *some return on the recent capital* expenditure programme. The key factor, of course, is recovery in the U.K. at Link 51 and it is the improved trading climate here that suggests unchanged earnings for the year. That fact and a yield of over 10 per cent. represent reasonable backing for the shares at 87p.

Lampa to sell Laniado

Lampa Securities, the Oriental art to outerwear company headed by Mr. Malcolm Horsman, has entered into a conditional agreement for the sale for cash of Laniado (M/C), the outerwear company which it acquired in 1973. The purchaser will be *J. M. Laniado and Sons.*

Laniado imports a range of knitwear and children's clothing from Taiwan, Korea and Hong Kong. Pre-tax profits for the year to April 30, 1975 were £323,000. Recent legislation has meant that quotas have been imposed on the volume of imports of clothing to the U.K. resulting in confusion and uncertainty concerning future supplies. The directors of the company believe that these factors will have an adverse effect on the profitability of Laniado and have decided that it is in the interests of the company to dispose of its investments.

The total cash receivable by Lampa on completion of the sale will be £743,000 of which £226,000 has already been paid by way of part repayment of the advance.

BRITISH DREDGING

A petition for the winding-up of Pauls Federated Merchants, a company 75 per cent. owned by British Dredging, has been filed by South Wales Builders, the minority holder.

The Board of British Dredging sees "no merit in the petition" and has instructed the company's solicitors to oppose the petition "which does not reflect in any way upon the solvency of the company which financially is in good order."

The petition is thought to have arisen out of SWB's opposition to a possible sale of British Dredging's holding in Pauls Federated Merchants—actually in the hands of two other British *Dredging subsidiaries—to a third* party.

Mr. Brian Salmon, chairman of J. Lyons, who yesterday reported a decrease in profit from £3.13m. to £2.81m. for the first 24 weeks of 1975-76.

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Alpine Soft Drinks	int.	2.0	Jan. 26	1.8	—	5.6
Armitage Shanks	int.	1.95	April 3	2.01	—	3.96
Buffelsfontein	*int.*	75(a)	Feb. 6	75	—	180
Clydesdale (Transvaal)	int.	4(a)	Feb. 20	3.75	—	7.5
Daily Mail Trust	int.	3.38	Feb. 14	3.38	—	9.37
J. A. Devenish		13.2	—	12.5	19.2	18
Dundee & London Trust		1.15	Jan. 23	1.0	1.85	1.7
B. Elliott	int.	1.79	—	1.68	—	3.63
Griqualand Expl.		60(a)	Feb. 20	12.5	80	20
J. Lyons	int.	2.04	Jan. 2	2.1	—	7.37
Mansfield Brewery	int.	1.21	Dec. 12	0.91	—	3.25
Morgan-Grampian	int.	1.05	Jan. 2	0.97	—	2.10
Shaw and Marvin	int.	Nil	—	0.35	—	0.35
Sogomana Group	int.	0.49	Jan. 14	0.49	—	2.32
Stilfontein Gold		20(a)	Feb. 6	37.5	36	65
Trans-Natal Coal	int.	4(a)	Feb. 20	3.5	—	7.5
Vernon Fashion	int.	1.11	Jan. 12	0.91*	—	2.38*
Wagon Industrial	int.	2.1	March 26	2.1*	—	3.69*
West Rand Consd. Ord.		3(a)	Feb. 6	20	10	40
West Rand Consd. Defd.		283(a)	Feb. 6	113.3	366	226.6
Whitbread Inv.	int.	2.33	Jan. 13	2.2	—	5.59

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. (a) South African cents

Daily Mail Trust income up

INCOME FOR the half-year to September 30, 1975 of Daily Mail and General Trust increased from £585,000 to £694,000. Franked income includes the relevant tax credits.

Net revenue, after tax, was £382,000 against £338,000.

No income is included from the subsidiary, Associated Newspapers Group, as this is wholly accounted for in the second half. The proportion of the total consolidated profit, after tax, of that company of *£1,711,000 (£1,830,000)* for the half-year attributable to DM and GT was £865,000 (£923,000), of which £228,000 (same) is receivable by way of an inerim dividend of 1.485p.

As before, the interim dividend is 3.573p net per 50p share, costing £357,000. Last year's total was 9.365p.

Investments at September 30, 1975, were valued at £35.3m. (£22.3m.).

Dundee and London Trust

From earnings up from 1.77p to 1.88p per 25p share Dundee and London Investment Trust is raising its dividend from 1.7p to 1.85p net with a final of 1.15p, for the year to October 31, 1975.

Revenue advanced from £466,098 to £313,217 subject to tax of £152,500 (£153,778).

	1974-75	1973-74
	£	£
Revenue	[illegible]	674,115
Interest	[illegible]	171,387
Management expenses	[illegible]	[illegible]
Net revenue	313,217	[illegible]
Taxation	[illegible]	[illegible]
Net balance	[illegible]	[illegible]
Preference dividends	11,575	11,575
Ordinary dividends	[illegible]	[illegible]
To revenue reserve	[illegible]	[illegible]

Valuation investments £11.87m. ([illegible]) and net asset value per Ordinary [illegible] ([illegible]) inclusive of full dollar premium of £1,199,051 ([illegible]) and after deduction of a provision for the liability to dollar premium in respect of the shortfall on currency loans at the year end £415,517 ([illegible]).

ISSUE NEWS

HARRISONS—93.2%

Harrisons and Crosfield has received acceptances in respect of *its rights issue of 1.59m. shares* at 675p each for 1.48m. shares representing 93.2 per cent. of the issue. The balance has been sold and the proceeds will be distributed to shareholders with the exception that no payment will be made for less than £1.

Advance at J. A. Devenish

IN THE YEAR ended September 26, 1975, Dorset brewers, J. A. Devenish and Co. increased pre-tax profits from £953,200 to £1,129,137, including extra-ordinary items of £75,891, against £39,882. Sales were £10.28m., compared with £8.5m.

At mid-way, when profits were little changed at £157,947 (£157,432), the directors said that prospects were good despite the general gloom.

Full-year earnings are shown to be up from 49.96p to 59.71p per £1 of stock and the dividend is lifted from 18p to 19.2p net with a final payment of 13.2p.

Armitage Shanks off £0.1m. at midterm

ORDERS at Armitage Shanks Group were maintained and turnover advanced from £12.01m. during the 26 weeks to September 28, 1974, to £14.44m. in the 27 weeks ended *October 4, 1975,* but pre-tax profit dropped by £101,000 to £1m. after interest charges doubled at £272,000. For the full year to March 29, 1975, profit was £1.8m.

In their interim statement the directors say they hope that a return to general business confidence will not be long delayed so that profitability will be of a level to encourage further investment.

The net interim dividend per 25p share is 1.95p (2.01p) or 3p gross (same). *Last year's final was* 1.95p net.

During the half year there was no abatement in the battle against rising costs and a number of important increases, particularly for fuels, have now been notified *for the near future, state the* directors.

Economies in all sectors have been intensified. The concentration of manufacture during the period has led to "regrettable but inevitable" redundancies, costing £59,000.

The company makes sanitary pottery, metal fittings and plastic mouldings.

	Half year 1975	1974	Year 1974-75
	£000	£000	£000
Turnover	14,440	12,014	24,990
Trading profit	1,397	1,230	2,215
Loan stock int.	77	32	67
Debenture int.	18	19	36
Bank int.	221	83	318
Redundancies	59	—	—
Exchange adjusts.	25	15	—
Profit before tax	[illegible]	1,101	1,799
Tax	542	563	925
Net profit	458	538	874
Minorities	37	87	136
Exchange credit	23	*1	*1
Extra-ord credits	2	5	21
Ord. dividend	323	333	658

*Debit.

● comment

Heavy borrowings at the start of the year, coupled with the problems in the building [illegible] indicated a poor period [illegible] Armitage Shanks, so first [illegible] profits only 1½ per cent. lower [illegible] an unchanged dividend brought *a sigh of relief from the market*; the shares rose 10p to 66p [illegible] the historic yield is 9½ per [illegible]. The first quarter was indeed [illegible]tremely tough but the slight [illegible]covery in the housing [illegible] fuelled a considerable improve[illegible]ment in the latter months of [illegible] *first half.* Elsewhere, there [illegible] strong recovery in Australia, [illegible] of the big disappointments [illegible] year, but in Ireland and South Africa volume was lower. [illegible] overall picture, however, remains fairly depressing. Export orders started to tail off towards [illegible] end of October and with little [illegible] the way of outstanding orders the company must be banking [illegible] the U.K. housing market, [illegible] a change in the demand pattern lags behind actual starts.

Whitbread Inv. first half growth

An advance in profit [illegible] £0.95m. to £1.21m. for the [illegible] months to September 30, 1975 announced by Whitbread Investment Company, subject to tax £0.46m., against £0.32m.

The interim dividend is being raised from 2.2p to 2.33p costing *£0.40m. (£0.46m.).* [illegible] year's payment was 5.5867p [illegible] profits of £1.81m.

SHARE STAKE

Eva Industries announces [illegible] Anglo Indonesian Plantations has acquired a further [illegible] Ordinary shares in the company and now holds 1,223,285 Ordinary shares—about 19.73 per cent. Anglo Indonesian intends to [illegible]tain the holding and has [illegible] intention of making a bid for [illegible] company.

COMPANY NEWS IN BRIEF

CEYLON AND INDIAN PLANTERS HOLDINGS—As funds not received from Sri Lanka, payment of the preference dividend for half-year ending December 31, 1975, deferred until such time as funds are available.

PALMERSTON INVESTMENT TRUST—Results year to March 31, 1975, reported November 5. Group fixed assets £2.12m. (£2.15m.). Net assets £1.24m. (£1.25m.). Gross rental income £254,029 and gross realisations £112,450. Meeting Winchester House, E.C., December 18, noon.

PHOENIX PRINCE GOLD MINING—Income for year ended March 31, 1975, £12,191 (£8,865). Pre-tax profit £5,914 (£4,755). Tax £2,431 (£1,781). Earnings per share 0.169p (0.125p).

POCHIN'S (building and civil engineering contractors)—Results year to May 31, 1975, reported November 7. Group fixed assets £575,419 (£782,760). Net current assets £824,504 ([illegible]). Chairman says it will be difficult to achieve similar profits in current year. Meeting, Middlewich, December 19, noon.

SHAW AND MARVIN (mercerisers and dyers)—Interim dividend nil (0.35p—no final). Turnover six months to September 30, 1975, £219,611 (£385,971). Pre-tax profit £334 (£12,700). Tax nil (£7,139). Chairman states although trading conditions improved during the past two months keen competition and price restraint continued to restrict profit margins.

STEWART NAIRN GROUP—Turnover for six months ended September 30, 1975, £887,040 (£1,257,290). Loss £16,997 (£47,430) after bank overdraft interest £[illegible] (£41,000) and extraordinary credit *nil (£24,000) no tax (same).*

WOLVERHAMPTON STEAM LAUNDRY—Turnover (excluding VAT), six months to September 30, £250,000 (£210,000). Pre-tax profit £7,000 (loss £1,600) after depreciation £3,000 (£5,600). Net profit £1,900 (loss £1,700). Figures include acquisition of last December. Future still remains obscure. Company will have to make substantial increases in prices to cover extra costs but expect some customer resistance to these increases by reduced volume of work.

هكذا من الاصل

J. Lyons down at half way

A turnover up from £249m. to ...5m., pre-tax profit of food ...nufacturers and caterers J. ...ns and Co. decreased from ...3m. to £2.81m. in the 24 weeks ... September 12, 1975, after in...est of £9.06m. against £8.8m.

...lthough present indications are ...t profits from trading activities ...r the whole year will be higher ...n last year, earnings will be ...er because of the incidence of ...eptional items, says the chair...n Mr. B. L. Salmon.

...hese will show "a significant ...it" because costs of commis...ning new production com...xes this year, notably at Carlton ...tery, will exceed profits made ... sales of properties where as ... year the opposite occurred.

...or the year to March 28, 1975 ...nover was £577m., and pre-tax ...fit £9.21m. after net interest ...rges of £20.19m.

...he interim dividend is 2.037p ...(2.2p) per £1 share—equal to ...maintained 3.13433p gross. Last ...r's net total was 7.572p.

...esults for the twenty-four ...eks excluding the U.K. ice ...am group, five overseas groups ... eight overseas subsidiary ...panies which are for twenty...r weeks ended in June, one ...rseas company which is for ...nty-four weeks ended in ...rch and one overseas group ...ch is for twenty-four weeks ...ed in August, are as follows:—

	24 weeks 1975 £000	1974 £000
...p turnover	285,000	249,000
...ing profit	10,911	11,237
...e associates	962	837
...ating profit	11,873	12,044
...ptional debits	2	110
... interest payable	9,057	8,901
...s before tax	2,814	3,133
... tax	19	107
...ion	1,337	799
...ciates	406	307
... profit	1,052	1,930
...ide holders	338	334
... dividends	47	55
...butable	667	1,531
...im dividends	615	530
...nce	52	901

...he marginal decline in the ...ding profit masks a 20 per ...t. increase in contribution ...n activities other than pro...ty trading, says the chairman. ...nover increased by 20 per ...t. if allowance is made for the ... of the cash and carry ...iness in the early part of this ...r.

...s envisaged, profitability of ... overseas businesses in more ...ust economies, notably the ..., continues to be of increas... importance, the improvement ... those businesses having com...sated for the adverse effect of ... U.K. recession.

...lthough in the U.K. the ice ...m and soft drinks businesses ...efited from the good summer, ... ice cream results incorporated ... the figures are up to June ...; thus the bulk of this im...vement will occur in the ...ond half. The hotel and cater... trading continues to be dis...ointing but there is some ...ht improvement over last ...r.

...et profits are lower mainly ...ause of an increased tax ...rge which relates to overseas ...nings. Operating profits in the ... are offset by interest pay...nts in the U.K. which include ...t of the cost of financing the ...rseas acquisitions. "We re...in convinced that the develop...nts overseas have given the ...up greater overall strength," ... Salmon declares.

See Lex

Trind forms new subsidiary

...he factory at Clay Cross, ...byshire previously occupied ... Metals and Methods has been acquired by Trind from the Receiver.

Trind, a subsidiary of ICFC, operates a group of engineering companies with a varied range of proprietary products selling into the petrochemical, power supply and capital equipment industries. The Group's interests also include a forge and two foundries.

Trind have formed a new subsidiary—Triangle Alloys—to operate at Clay Cross where it is intended to manufacture a range of nickel anodes for the electroplating industry, nickel magnesium nodularising alloys used in the production of s.g. irons and centrifugally cast tube for general engineering use in a wide range of materials such as Ni-Resist, Alloy Steels, Grey and Austenitic Irons.

Mr. H. H. Broadbent, chief executive of Trind, has been appointed chairman and Mr. W. C. H. Shephens appointed managing director. Mr. E. P. Jackson, Mr. N. Y. Newton and Mr. E. Finch have been appointed to the Board.

S. Casket expands in first half

The chairman of S. Casket (Holdings), Mr. P. Casket, told shareholders at the annual meeting that sales for the first five months of the current year were up by over 65 per cent. on the same period last year. Margins were lower due to the Price Commission requirements, but nevertheless he was hopeful of another record result for the first six months of the year.

The second half could, however, be adversely affected by shortages in supplies of merchandise from abroad due to Government import controls. "As the situation here changes almost weekly it is impossible to determine exactly the eventual result, except that the cost of clothing next year in British shops will be much higher," said Mr. Casket.

"We are taking all steps possible to find alternative sources of supply and to increase production in our own manufacturing units."

W. Sinclair profit up

A record turnover of £13.8m., compared with £11.15m. in the previous 12 months, is reported by William Sinclair and Son, the financial holding company of the Sinclair McGill Seeds Group and the Lindsey and Kesteven Fertilisers Group. Profit before tax rose from £371,000 to £390,100.

After minority interests the post-tax profits attributable to shareholders of William Sinclair amounted to £245,800 (£250,400).

The maximum permitted dividend of 12.3p per share (11.576p) has been paid.

LAWTEX

Mr. G. M. Schaefer, chairman of Lawtex, the Manchester clothing and umbrella manufacturers, told the annual meeting yesterday that during the year under review work had been provided for all the group's factories without short-time working and employment had been provided for, on average, 10 per cent. more people than a year ago. He hoped it would be possible to maintain this trend in the present year.

Phoenix 34.3% growth

AN INCREASE in pre-tax profits of 34.3 per cent. to £11.78m. is reported by Phoenix Assurance for the nine months to September 30, 1975, including a contribution from Century Insurance. Excluding Century profits are up 33.5 per cent. to £11.7m.

Earnings per 25p share for the nine months work out at 12.07p against 14.27p for the whole of last year.

A quarterly analysis of the results so far this year confirms the improvement disclosed in the half-yearly figures. Profits, before tax and minority interests, for the latest quarter were £4.56m. compared with £4.35m. in the second quarter and £2.86m. in the first.

General business premiums, now including Century's, rose to £191.92m. Excluding Century the rate of growth in this business was 22.9 per cent.

Group investment income, excluding the Century contribution, was up by 29.6 per cent. to £14,312,000. Including Century, investment income for the nine months was £16.76m.

Underwriting loss on the general account for the nine months was £5.45m., compared with a loss of £6,772,000 for the whole of last year. Excluding Century, the loss for the period was £3.17m.

The directors report that Phoenix fire and accident results from the U.K., Canada and other territories overseas improved over the corresponding period of the previous year. In Europe, profits have been maintained.

In common with other companies, the U.S. results show a deterioration and a loss of £2.1m. (£1.2m.) is recorded. The operating ratio at September 30, which also reflects the results of the U.S. marine and aviation accounts, was 104.5 (103.9).

Century is trading profitably in the U.K. and Europe, the directors report, but incurred a loss in Australia estimated at £1.8m. The business there is being substantially curtailed.

For both Phoenix and Century the general underwriting results include a loss from marine insurance.

	Nine months Including Century 1975 £000	1974 £000	Excluding Century 1975 £000
Net premiums	191,918	160,683	130,325
Invest. income	16,755	14,312	11,048
Underwriting loss	5,450	3,165	2,805
Long-term profit	1,080	1,089	1,043
Expenses	622	525	517
Profit before tax	11,775	12,704	8,769
Taxation	3,951	3,691	3,104
Minorities	1,544	1,544	1,205
Net balance	6,380	6,469	4,460

Overseas currency transactions have been converted at rates of exchange appropriate to the periods in question. In converting U.S. dollar transactions for the nine months a rate of $2.04 has been used ($2.33).

● comment

Phoenix has no nasty surprises to reveal at the nine-month stage, unlike two of the other composites with recent figures. But its results are still slightly below expectations—mainly through the £1.8m. underwriting loss by Century in Australia, though the company believes this should soon be reduced sharply because of the curtailment of business. The result has been that so far this year Century has only made an overall profit of £71,000 at the pre-tax level on premiums of £31.8m. Elsewhere, underwriting results are generally up, apart from a slight deterioration in the U.S., though Phoenix (through the Continental pool) has been holding the line rather better than other groups. Overall, the hope is presumably for earnings of around 17p to 18p a share, against 14.3p. So the shares seem unlikely to out-perform the sector: the prospective yield of 6.3 per cent. at 218p is in line with the composite average.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-division shown below is based mainly on last year's time-table.

TO-DAY

Interims—Buckley's Brewery, Bulmer and Lumb, Burnett and Hallamshire, Clarke Nickolls and Coombs, Coalite and Chemical Products, Coated Metals, Robert Farnworth, Great Universal Stores, Haslemere Estates, Pauls and Whites, Philips' Lamp, Pilkington Bros., Racal Electronics, Renwick Group, Victoria Carpet, Westbrick Products.

Finals—Bass Charrington, Mitchell Cotts, Samuel Properties.

FUTURE DATES

Interims—	
Bambergers	Dec. 9
Bassett (George)	Dec. 11
British Tar Products	Dec. 10
Capital and Counties Property	Dec. 15
Distillers	Dec. 18
Ewer (George)	Dec. 12
General Electric	Dec. 10
Shaw Carpets	Dec. 11
Stonehill	Dec. 10
Unigate	Dec. 17
Wheelers Restaurants	Dec. 16
Finals—	
Bluemel Bros.	Dec. 17
Charterhouse Group	Dec. 15
International Computers	Dec. 9
Jacks (William)	Dec. 8
Leeds & Dist. Dyers & Finishers	Dec. 5
Liner Concrete Machinery	Dec. 11
Pyke (W. J.)	Dec. 9
Scottish American Investment	Jan. 21
Staveley Industries	Dec. 8
Wearra	Dec. 15

Vernon Fashion

Reporting pre-tax profits up from £84,332 to £114,856 for the half year to July 31, 1975, on sales of £2.77m. against £1.63m., the directors of Vernon Fashion Group say they expect the progress to continue and final results should show record sales and profits.

The interim dividend is effectively raised from 0.91p to 1.11186p net. Last year's total was equal to 2.356p. Pre-tax profits reached £351,376.

First-half tax takes £59,725 (£43,853) leaving £55,131 compared with £40,479.

B. S. WHITELEY

The listing of B. S. and W. Whiteley's Ordinary and Preference shares and Debenture stock has been restored following an announcement.

The listing had been temporarily suspended on Tuesday pending a statement from the City Panel concerning a 33.4 per cent. holding by a group of four Swiss companies in Whiteley.

The Panel ruled that this was "a special case" where the Swiss companies would not be required to make a mandatory bid. The Swiss interests are to reduce their holdings to less than 25 per cent. of Whiteley by June, 1976.

Titaghur Jute

In his annual statement, the chairman of Titaghur Jute Factory Company, Sir John Brown, tells members that in the U.K. 1975-76 has started reasonably satisfactorily, with modestly profitable working continuing in all sections. Demand from customers is, however, a little erratic in some departments and, while it is confidently expected that a reasonable level of profitability will be maintained until the end of 1975, it is difficult to forecast how group companies will fare in 1976.

It now seems likely, he says, that the economic upturn in the U.K. will not appear before the second half of 1976 at the earliest, and until this comes about, prospects for manufacturing units in the U.K. "must be considered uncertain."

In India, with the present substantial disparity between the prices of jute and goods, it is not possible for the mills to work profitably and during the period July/October, 1975 losses have been sustained. It is difficult at this stage to forecast results of the Indian operations for the remainder of the financial year reports the chairman, as a great deal depends on how soon the downward trend in goods can be reversed and demand picks up.

As reported on November 19, there was a loss of £702,145 (£446,289) for the year to June 30, 1975 after providing £677,045 for possible losses on forward contracts.

From information so far received from India since the end of June it seems that the provision will prove to be more than adequate, members are told.

HOMFRAY & COMPANY LIMITED

The following are extracts from the Statement of the Chairman, Mr. D. E. Gillam, in the Report and Accounts for the year ended 28th June, 1975, which were adopted at the Annual General Meeting held on 3rd December, 1975.

- The profit earned by the U.K. Carpet Group is an all-time record. Direct sales abroad from the U.K. carpet subsidiaries increased by almost £1 million to £4.2 million.
- I have the utmost confidence in the future of the Company and firmly believe that the time is right to be preparing for further growth. We have just taken delivery of another carpet printing machine, and in the months ahead we shall be installing the necessary ancillary equipment in order to have additional capacity in what is proving to be one of the growth areas in carpet manufacture.
- The current year has started with a slight increase in sales, but with further pressure on profits. If we achieve a similar Group profit this year, I would rate this a good performance.

RESULTS FOR THE YEAR TO 28TH JUNE	1975 £000	1974 £000
Turnover	29,225	26,632
Group Profit before Tax	2,028	3,042
Group Profit after Tax	1,045	1,740
Earnings per Share of 25p	7.4p	13.1p

Copies of the Report and Accounts are available from the Secretary, Riding Hall Mills, Halifax, West Yorkshire HX3 9XG.

Company Announcement

PRESIDENT STEYN GOLD MINING COMPANY LIMITED

(Incorporated in the Republic of South Africa)

UNDERGROUND FIRE

Shareholders are referred to the company announcement published in the Press on 10th September 1975 concerning the fire which broke out at the mine's No. 4 shaft in August 1975.

It was originally hoped that access to the sealed-off areas above 63 level would be regained before the end of October and that normal monthly production of 240 000 tons would be achieved in December 1975. This has not proved possible and it is now expected that access will be regained by the end of December which means that the return to normal monthly production will be delayed until March 1976.

It is estimated that this will cause an overall production loss of some 270 000 tons despite the efforts to increase output from the areas of the mine which are not affected by the fire. Of the production loss, 68 000 tons relate to the past financial year.

Johannesburg.
4th December, 1975

W.H. Smith sees small rise

PROFIT FOR the eight months to October 4, 1975 of W. H. Smith and Son (Holdings) increased from £2.32m. to £2.69m., before tax, but the chairman, Mr. C. H. W. Troughton, expects only a marginal increase for the year over the £9.27m. for the year to February 1, 1975.

He says pre-Christmas sales do not seem to be sufficiently strong to maintain the eight months' increase.

Stated earnings per £1 "A" share increased from 6.5p to 6.8p and the interim dividend is stepped up from 2.64p to 2.81p net. Last year's total was 8.31p.

Sales which increased from £126.62m. to £159.73m. in the eight *months were buoyant in the early* months but they suffered later as a result of the long hot summer and deteriorating economic conditions.

Wholesale sales increased by 30.1 per cent., and retail by 21 per cent.

Losses of £269,000 (£56,000) by associates represent, in the main pre-trading and initial start-up costs associated with the new retail and book club operations in Holland.

Retail business in the U.K. continues to expand, although the company has again been frustrated by delays over which the directors have no control in the development of sites.

Selling space will be increased by 85,000 square feet in the current year and it is hoped to add a further 130,000 square feet next year.

The overseas company increased the number of retail outlets in Canada from 30 to 34 and in the Netherlands, in conjunction with partners, has opened shops in Amsterdam, Eindhoven and Utrecht.

	8 months 1975 £000	1974 £000	Year 1974-75 £000
External sales	159,726	126,622	217,266
Group profit*	2,957	2,373	9,440
Share assoc. losses	269	56	174
Profit before tax	2,688	2,317	9,266
Taxation	1,529	1,212	5,094
Outside holders	6	1	2
Net profit	1,153	1,104	4,150
Preference div.	11	11	16
Attributable	1,142	1,093	4,134

* Includes items previously shown as extraordinary profits £145,000 (£58,000 and £129,000) and after charging special pension fund contributions £477,000 (nil and £613,000).

The eight months' figure is struck after £477,000 special pension fund contribution. Last year a special contribution to the pension fund was made to fund for existing pensioners an additional 5 per cent. with effect from April 1, 1975, all of which was charged in the last four months' figures.

See Lex

Mansfield Brewery progress

PRE-TAX profit for the half-year to September 30, 1975 of Mansfield Brewery increased from £910,000 to £931,000, subject to tax of £458,000, against £446,000.

The interim dividend is stepped up from 0.912p to 1.207p net per £1 share. Last year's total was 3.252p from a profit of £1.83m.

New Energy companies for P & O

P & O *is forming* P & O Oil and P & O Oil Corporation to control and co-ordinate growing operations in international oil and and gas exploration, production and oil trading.

One of the key objectives of the move—which follows the completion on December 2 of the acquisition of interests in U.S. oil and gas producing properties formerly owned by Kirby Petroleum—is closer identification of group energy activities, chiefly in the U.S., with the name of P & O.

Surrey Energy Corporation will form the nucleus of the new U.S. company and has already been renamed the P & O Oil Corporation.

P & O Oil will act as a holding company for the various international oil and gas ventures, which include, apart from exploration and production, transport and trading in its U.S. associate, Falco Inc.

BIDS AND DEALS

HS £18m. for Onan minority

UNDER A revised deal worth up to £18½m., Hawker Siddeley Group is after all to make a large investment in the U.S. electrical and engine company Onan Corporation, but on the basis of its taking a minority stake of about one-third, instead of that of 50 per cent. originally intended.

Hawker, the aircraft and engine group, first arranged the link with Onan—80 per cent. of which is now owned by the big American concern Studebaker-Worthington—in July. But that plan foundered in October, although discussions, which have now led to the present agreed project for a get-together, continued.

As envisaged in the original project, Hawker is to make available diesel technology to *Onan through its* Petters engine subsidiary, under licence agreements. This will maintain the earlier plan for the production of Petters engines in the U.S.

The deal will give HS stakes of between 26 per cent. and 37 per cent. of Onan and cost it between $26m. (£13m.) and $37m. (£18½m.), depending on response to an offer which is to be made for the publicly-held present Onan minority shares. It is to be financed from the $40m. (£20m.) proceeds of HS's sale last year of De Havilland of Canada to the Canadian Government.

As in the recent case of the larger $70m. (£35m.) projected purchase by Babcock and Wilcox *of the U.S. group American* Chain and Cable out of the proceeds of selling another overseas investment, Deutsche Babcock, HS has been allowed by the exchange control authorities to hold the foreign cash from the Canadian disposal for its present new investment.

HS is to make a public offer for the 20 per cent. of Onan's minority shares (600,000) in the hands of the public, at $32.50 a share. Then S-W has agreed to sell to HS, at the same price, up to 800,000 Onan shares, to the extent necessary to bring the latter's holdings up to not more than 1.1m. Onan shares. In addition, HS will buy up to 47,500 shares issuable under stock options.

The effect of these arrangements is that, even in the event of a full acceptance of HS's offer for the publicly-held minority shares, S-W will retain at least 1.6m. Onan shares, more than half the total. The 2.4m. shares, designated class B and carrying heavier voting rights, which S-W now holds, are to be converted into Ordinary shares with the same voting rights as the other 600,000.

HS is to have two representatives on the six-man Board of Onan, which produces a broad range of electric generator sets and controls, as well as petrol and diesel engines.

The reduction in the share of the Onan Corporation which Hawker had hoped to acquire will not affect plans for the production of Petters engines in *the U.S., which will be built up* over a period of five years.

It is felt that the resistance in the U.S. to diesel engines, due to the comparative cheapness of petrol, *is* now breaking down rapidly in response to energy saving measures and Hawker hopes to exploit this by offering a wide range of engines through *Onan.*

Hawker said: "We have been battling in the U.S. market for some time and had a fair amount of success. Under the Onan agreement we will be supplying engines up to 22 hp and we believe that their cheapness and longer life will be an important factor."

See Lex

MYSON TAKES 80% STAKE IN FRENCH GROUP

Myson Group, which designs and manufactures heating, ventilating and air-conditioning equipment, has acquired an 80 per cent. holding in Constructions Techniques Calorifiques S.A., the French subsidiary of Thyssen Bornemisza Europe NV. Consideration for the purchase is *French Frs.1.25m. (£138,000)*, though the financing arrangements have yet to be finalised.

The deal, which has received Bank of England approval, gives Myson control of one of the largest importers and distributors of heating and air-conditioning equipment in France. It is intended to distribute Myson equipment through the eight *regional sales offices of* CTC.

It is expected that the combined sales of CTC and Myson's existing French subsidiary, Myson SA, will exceed French Frs.60m. in 1976.

HEPWORTH CERAMIC

Hepworth Ceramic, the Sheffield-based manufacturer of vitrified clay and plastic pipes, has *confirmed that it is to purchase the* assets (plant, buildings, machinery, etc.) of Nederlandse Gresbuizen Industrie in Belfeld, Holland, *a subsidiary of* Bredero—the Dutch construction group. The purchase price has not been revealed.

OZALID SELLS ICI INTEREST

The entire stake of 1.6m. Imperial Chemical Industries *shares hitherto* held by Ozalid Group Holdings, the sensitised paper manufacturer, has been dis*posed of for some £5m.*

The interest arose as part of a deal with several elements concluded in mid-1974, under which Ozalid gained a 25 per cent. stake in Bexford, the ICI subsidiary, claimed to be the world's largest independent coater of polyester film base for the photographic and reprographic markets.

As part of the whole transaction *last year, Ozalid* also received the 1.6m. ICI shares, while ICI for its part acquired a 12 per cent. share interest in Ozalid.

The placing of the 1.6m. ICI *shares,* carried out on Tuesday by stockbrokers Cazenove, is thought to have been at an average price of 308p. Last night, ICI shares closed unchanged at 314p, while those of Ozalid were 2p up at 124p.

Mr. Francis O'Brien, a deputy chairman of Ozalid, said of the disposal: "We never intended the ICI shares would be held per*manently. The disposal took place* when the market price was right." He added that the extra cash would help the group's expansion plans for the future.

The last Ozalid accounts showed that at the end of December, 1974, bank overdrafts totalled £7m., against £2m. a year earlier. Mr. O'Brien said yesterday that the position was now substantially better than then, even apart from the proceeds of the placing, as cash had been generated by the group meanwhile.

In the first half of 1974, Ozalid's *pre-tax profits fell to £2.77m. from* £4.37m. The chairman, Mr. N. J. Kiely, said the U.K. outlook was obscure and that they would do well to maintain the profit level of the first six months in the second half of the year.

Mr. O'Brien added that, to his knowledge, there was no question of any alteration in the ICI holding in Ozalid.

MINING NEWS

Steyn's output still affected

BY MALCOLM DUMPHREYS

A RETURN to normal monthly ore production, around 240,000 tonnes, at the Anglo American Corporation group's President Steyn gold mine is not now anticipated until March of next year.

It was originally hoped that access to the areas above 63 level *—sealed off after* the fire at the No. 4 shaft which broke out on August 22—would be regained by the end of October and that normal production would be achieved this month.

Access is not now, however, expected until the end of this month which, according to the company, will result in an overall loss in production of some 270,000 tonnes *despite efforts to increase* output from those areas of the mine which were not affected by the fire.

Of the lost production, 68,000 tonnes will relate to the financial year which ended in September. In a break from normal practice, no planned tonnage or grade figures were given at the start of the current year owing to the *implications of the* rand devaluation and the fluctuations of the gold price.

However, the current-year production estimates are expected to be contained in the annual report which, along with those of the Anglo group's other Orange Free State gold producers, is due to be published towards the end of this month.

For 1974-75 Steyn milled 2,636,000 tonnes of ore with an average grade of 10.89 grams per tonne compared with a forecast 2,850,000 tonnes averaging 10.5 grams. The shares were £10¼ in *London yesterday.*

Buffels pays another 75c

December gold-mining company dividends announced by the General Mining group come up to the best expectations. Hopes are fulfilled of a maintained 75 cents (42.7p) interim from Buffelsfontein which paid a total of 180 cents (102.6) for the year to last June.

Stilfontein meets the most optimistic forecasts with a final of 20 cents (11.4p) to make a total of 36 cents (20.5p) for the year compared with the 1974 total of *85 cents: in view of the mine's* heavy capital spending coupled with lower profits arising partly from the labour shortage, estimates of the latest final had ranged down to 15 cents.

No great surprise would have been occasioned if West Rand Consolidated had omitted a payment on this occasion, but, here again, the optimists win the day *with news that the mine is de*claring a final of 5 cents (2.8p) to make a total of 10 cents (5.7p) compared with last year's total of 40 cents. The latest dividends were not known in market hours yesterday.

FRASER ISLAND BEACH BATTLE

Despite being granted export permits in May for the rutile and zircon produced from its beach sand mining operations on Fraser Island off the coast of Queensland, the Murphyores-Dillingham Corporation partnership, which already has contracts worth $43m., is still having a running battle with the Australian Ministry for *the Environment.*

The partnership's application for an interim injunction against the Fraser Island enquiry's environmental report being presented to the Ministry has been refused by the majority decision of a Full Bench of the High Court of Australia.

A proposition that the companies should slow down present extraction rate, on the basis that if mining was the *any damage to the* environment the longer it continued the greater its effect, was rejected by the partnership which contended there was no evidence of damage.

The reason for the Murphyores-Dillingham resistance to the enquiry is understood to have been the belief that, in commissioning the report, the then Labour Government was predisposed to prevent the partnership mining on additional leases to those already in production. Murphyores were 50p in London yesterday.

Billiton in Thai contract mining deal

THAILAND'S State-owned Offshore Mining Organisation says *that it has agreed in* principle to contract a Thai-registered subsidiary of the Dutch Billiton company to conduct offshore mining operations in Phangnga Bay in Southern Thailand.

Under the initial arrangements which are expected to be approved by the Thai Cabinet next week, the Billiton subsidiary will undertake the work for up *to five years* and will be closely supervised by the Offshore Mining Organisation. The latter will retain ownership of the mining leases and of minerals obtained from the operation.

Billiton and America's Union Carbide were joint partners in Thailand Exploration and Mining whose mining concessions were revoked by the Thai Government *last March following* demonstrations by students and workers.

ALLSTATE'S WRITE-DOWN

One of the, surprisingly, many survivors of the Australian boom days Allstate Explorations is determined to fight on in the face of accumulated losses. But this has necessitated a capital reduction and share consolidation scheme which has now been completed.

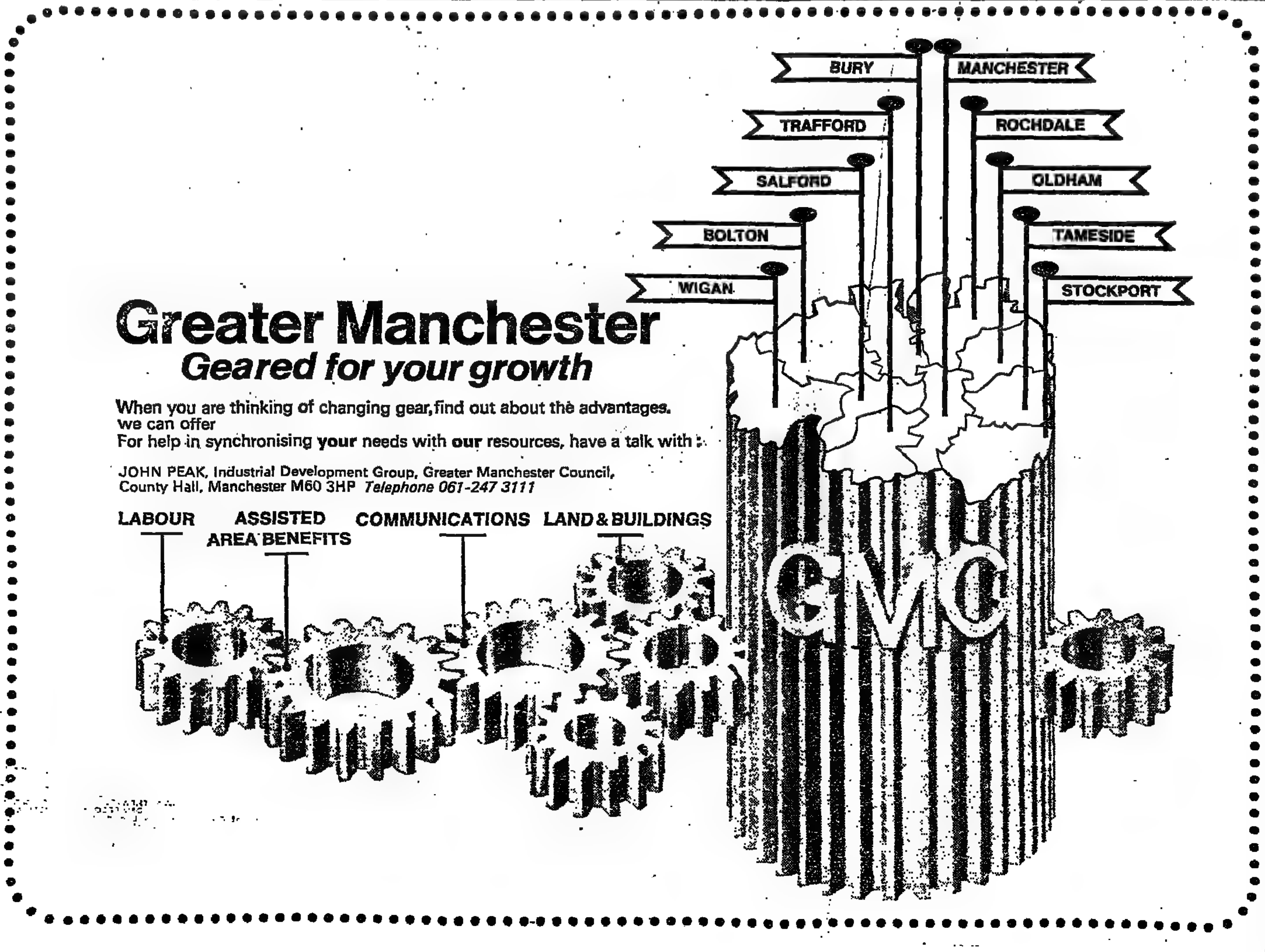
In essence, Allstate has consolidated its 6.84m. shares paid as to 10 cents into 2.74m. fully paid 25 cent shares. In other words, a holder of 100 shares before the scheme will now have *40 shares in the new 25* cent paid form. The new shares are to be listed on Australian stock exchanges as from to-day and the price of them in London is expected to be around 11p.

NORANDA BUYS A ZINC MINE

Canada's Manitou-Barvue Mines reports that a Noranda subsidiary is acquiring the Barvue zinc-silver open-pit mine in Barraute Township, Quebec, which closed down in 1957 owing to depressed prices for zinc.

Under the deal, Noranda will make a $100,000 down payment followed by two annual payments of $200,000 at end-1976 and *end-1977, respectively. In addition* Manitou-Barvue may exercise one of two options at any time up to six months after the mine is brought back into production.

The first option is for a 20 per cent. interest in an area development plan which Noranda is considering for the Barvue and other nearby properties. The second is for Manitou-Barvue to receive a royalty of 10 per cent. of net profits from the Barvue mine alone after Noranda recovers the development costs.



RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1975 High	1975 Low	Stock	Closing Price p	+ or −	Div. Amount	Times covered
U.S.$	F.P.	—	$12¼	$12¼	Brazil Fund S.A.	$12¼	—	—	—
♣	F.P.	—	109	100	Corn Exchange	100	.....	b1.62	2.5
♣R8	F.P.	7/11	350	280	Elandsrand G.M. Mining 20c	275	+10	—	—
—	F.P.	—	£32¼	£31½	Hughes Tool $1	£31½	−¼	Q48c	—

FIXED INTEREST STOCKS

Issue Price	Amount Paid up	Latest Renunc. Date	1975 High	1975 Low	Stock	Closing Price
£99¼	£50	30/1	60	49½	Bristol (City of) 13¾% Deb. Stk. 1981	49½
£99½	£30	11/2	30½	29⅛	Coventry (City of) 13¾% Red. Stck. 1980	30¼
£98	£10	23/1	12	11⅞	Essex Water 9% Red. Pref. 1981	12
♣£100	F.P.	15/10	135½	115	Haslemere Est. 9½% '90-5	120
£100	£50	9/1	51½	49⅞	Islington 15¼% Red. Stk. 1980	51
£100	£50	9/1	49¾	47½	Do. 14% Red. Stk. 1985/6	47¾
♣HK$100	Nil	—	35p	12p	Jardine Math. 7½% Conv. Uns. 1990	[illegible]
††£98	F.P.	28/11	100	98¾	Lee Valley Water 9% Red. Pref. 1980	99
$US100	F.P.	—	100	98½	Midland Bank Float Cap Notes '82	99¼
$C100	F.P.	—	98¼	98	Noranda 9¾% Notes 1980	$C98¼
$US100	F.P.	—	102½	98	Do.	$US...
£98	£25	23/1	28	28	Norcros 16¾% Deb. 1990/95	27¾
♣50p	F.P.	17/11	50¼p	45p	Singlo 10% Cum. Conv. Pref.	48
£100	F.P.	28/11	120	100	Sparrella 14% Conv. 1990	106
$US100	F.P.	—	93	92	Trans Union Fin Can 10½% notes 1980	93
£98	F.P.	31/10	99½	98½	York Waterworks 9% Red. Pref. 1980	98½

"RIGHTS" OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Date		1975 High	1975 Low	Stock	Closing Price p
30	F.P.	14/11	5/12	35½	29	Amal. Distilled Products	30
100	Nil	—	—	62	60	Anglo-Am Asphalt	60pm
25p	Nil	11/12	3/3	105	94	Berisford (S. & W.)	105pm
35	Nil	5/12	7/1	29	16	Berry Wiggins	22pm
285	Nil	12/12	16/1	76	54	British Home Stores	60pm
32	Nil	12/12	12/1	25	17½	Capper-Neill	19½pm
10	F.P.	5/12	9/1	22½	18½	Clarke (David)	21
65p	F.P.	24/11	6/1	87	79	Debenhams	84
90	Nil	12/12	9/1	35	27	Feather (J.H.)	35pm
675	F.P.	1/2	7/1	887½	775	Harrisons & Crosfield	885
53	Nil	15/12	12/1	35	22	Hunting Assoc. Inds.	23pm
260	F.P.	28/10	12/12	402	330	I.C. Gas	377
60p	Nil	5/12	5/1	40	30	Ibstock Johnsen	33pm
10p	Nil	17/12	16/1	129	114	Kwik Save Discount	115
10	Nil	22/12	20/1	24½	19	Lighting & Leisure	20pm
20p	F.P.	21/11	12/12	124	110	Minet Holdings	114
68	Nil	—	—	10½	8	Mowlem (J.)	10½pm
$1.50	Nil	—	—	155	125	Nat. Bank of Aust.	150pm
25	F.P.	30/10	9/12	89	73	Northern Foods	75
10	Nil	17/12	7/1	16½	14	Pentos	16pm
10p	F.P.	24/11	30/1	39	35	Raybeck	36
92	Nil	—	—	25	24	Runciman (W.)	24pm
38	Nil	—	—	6½	½	Spillers	5pm
70cts	Nil	19/12	—	5	Nil	Trust Bank Africa	Nil
30	Nil	12/12	16/1	60	47	Watson & Philip	50pm
50p	F.P.	19/11	19/12	75	60½	Weir Group	73½

Renunciation date usually last day for dealing free of stamp duty. a Placing price to public. b Figures based on prospectus estimate. d Dividend rate paid or payable on part capital, cover based on dividend on full capital. p pence unless otherwise indicated. u Forecast dividend: cover based on previous year's earnings. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividends. ** Issued by tender. ♣ Offered to holders of Ordinary shares as a "rights." ♥ 290 S.Afr. cents. § Issued by way of capitalisation. †† Tender allotment price. ♦ Reintroduced. ¶ Issued in connection with reorganisation, merger or take-over. ♣ Introduction. ◊ Issued to former Preference holders. ‡ Allotment letters (or fully-paid). † Provisional or partly-paid allotment letters. ≸ With warrants.

هكتبة الامل

FT CONFERENCE ON WORLD INSURANCE

Minister attacks investment decision

BY SUSAN GLASCOCK

AN ATTACK on the investment decisions of some insurance companies was made yesterday by Mr. Stanley Clinton Davis, Parliamentary Under-Secretary of State for Trade. He said that the job of the Government and of the insurers was to reconcile the interests of the national economy with the needs of the insurance companies to acquire assets appropriate to their liabilities. And he asked whether the very large investments which had been made in property over recent years had served either the interests of the policy-holders or the national well-being. Rather, he maintained, some of these investments had been primarily speculative.

Mr. Clinton Davis was speaking at a conference in London on world insurance organised by the Financial Times. He went on to argue that the standard of living of people in Britain was bound up with the regeneration of manufacturing industry. "Priority for investment in manufacturing is needed in our present circumstances," he asserted.

He told delegates that he was sure such considerations weighed heavily with the insurance companies. Nevertheless, the Government would shortly be issuing detailed regulations which would have the effect that only insurance companies with substantial free reserves would be able to hold much in the way of "inadmissible" assets.

However, Mr. Clinton Davis did pay tribute to the fact that international comparison showed total investments in British industry to be larger than those of any other European insurance industry.

Statistics

Further details of the Government's thinking on the regulation of investment by insurance companies was given by Mr. M. S. Morris, Under-Secretary of the Insurance Division at the Department of Trade. He said that the Government had made a start in the area of asset valuation at the beginning of the year and that it aimed to carry it forward with a further set of regulations very shortly.

"These will limit the extent to which large single assets of certain kinds, such as shares or loans to any one company can be taken into account in determining solvency. The combined effect will be to ensure that all insurance companies value their assets on a conservative basis and spread them widely within the acceptable categories," he said.

On the liability side Mr. Morris maintained that it was now possible to see the beginning of benefits arising from the run-off statistics which had been required since 1970. But much research was still required to determine the most effective use of the statistics in verifying the probably adequacy of the reserves provided, especially for those classes of claims in which the long settlement cycle exposed the insurer to changes in monetary values.

Mr. Morris went on to say that the majority of companies had successfully weathered the economic storm. He pointed out that apart from statutory requirements, discussions between the companies and the Department frequently led to action on an informal basis. "This happened on over 40 occasions in 1974 and with 25 of these companies the discussions led shareholders to provide sufficient new capital to rectify the situation that had emerged," he said.

An optimistic forecast for the insurance industry in 1976 was made by Mr. Daniel Meinertzhagen, chairman of the Royal Insurance Company. He told delegates that the position was expected to improve provided that governments took a rational and sound view, realising that a profitable insurance industry was an integral part of the modern economy.

He gave a warning that recovery would depend first and foremost on the ability of Governments to contain and reduce inflation rates. However, the industry itself had to avoid its own destruction through pursuing irrational pricing policies in search of premium volume.

"It is necessary for the industry as a whole, including life insurance companies, which in some parts of the world are tempted to enter general business and to offer other types of cover at uneconomic rates along with their traditional business, to recognise the need for retained profits and hence adequate premium levels and to ensure no future build-up of unrealistic premium rates," Mr. Meinertzhagen declared.

He pointed out that underwriting in many areas had continued to be extremely unprofitable. "In the U.S. for example the situation had deteriorated markedly so that it has been forecast that the industry there is likely this year to lose substantially more on its underwriting than on the whole investment revenues," he said.

He stressed that the industry must recognise more than ever the very high cost of major catastrophes in developed communities and the high technology infrastructures for which the insurance industry had at all times to be prepared.

Mr. Meinertzhagen called on supervisory authorities where their power included approval of premium rates to authorise "without delay the rate increases which the industry needs. And this they can do in the knowledge that excess profits are quickly eliminated by competition," he added.

Joseph's offer

Finally, he made a plea to the Government to recognise that the insurance industry had to be reasonably free to develop the services it thought were needed. "In recent years there has been a disturbing trend towards greater and greater restrictions on freedom of business and individuals. The effect of the restrictions is not only debilitating but undermines also the basis of our liberty and progress," he declared.

A call to insurance companies to educate their policy-holders about the workings of the capitalist system was made by Sir Keith Joseph, Opposition spokesman for Policy and Research. He pointed out how the insurance companies had a unique opportunity to show people how economic measures such as rent freezes affected them indirectly as well as directly. He invited anyone present who was interested in such a scheme to get in touch with him at the House of Commons.

LAWN TENNIS BY JOHN BARRETT

Why public loves Masters formula

STOCKHOLM, Dec. 3

TO-NIGHT WE shall know which four players will be crossing rackets in the semi-finals of the last classic event of 1975, the Commercial Union Masters tournament.

Already the Stockholm public, who continue to flock into the 4,000 seats of the Kungleshallen with an enthusiasm undimmed by the extraordinary events of the first night when Ilie Nastase and Arthur Ashe were both disqualified, have witnessed some memorable tennis.

Ashe, riding a wave of confidence this year following his major successes in the WCT final and at Wimbledon, is desperately anxious to score the treble that no one else has so far achieved. He has two victories already in the Round Robin section and will win the White group outright or on sets average unless Manuel Orantes, the tough little Spanish left-hander, annihilates him to-night.

The second place is between Orantes and Nastase, the gifted Romanian who won this title three years running between 1971 and 1973. Despite the traumatic events at the start of the week which led ultimately to his disqualification, Nastase produced some fine tennis to beat the Spaniard on Tuesday.

If, as is likely, Nastase beats Panatta and Orantes collects a third successive victory over Ashe this year, then the sets average, or ultimately the games average, will apply.

To-night's encounter between title-holder Guillermo Vilas of Argentina and Sweden's wonder boy Bjorn Borg (can he still be only 19?) will decide the leadership of the Blue group — a more-than-academic question, because the leader of each group will play his semi-final against the runner-up in the other. Interestingly, Borg and Vilas play before Ashe and Orantes so they cannot possibly forecast their likely opponent on Saturday.

This already serves to illustrate the complexity of this type of competition where the computer becomes as important as the service and even a disqualification need not necessarily end all hope of ultimate success. Undoubtedly, the public loves this formula, for it knows beforehand whom it will be seeing, unlike the situation in conventional knock-out tournaments where a ticket for finals day does not necessarily guarantee the appearance of the star players.

Those who stayed late on Tuesday evening to see the second doubles match of this excellent new addition to the Masters programme were treated to another extraordinary spectacle. I hardly believed my eyes at times as the German Davis Cup doubles pair, Jurgen Fassbender and Hans Pohmann, played inspired tennis to beat America's Brian Gottfried and his Mexican partner Raul Ramirez in straight sets 6—4, 6—4.

The latter pair have easily the best record of any in the world this year with the titles of WCT, Rome and Paris among their seven major successes. But the Germans had no respect for reputations as they tore into the attack with a blend of power and guile that produced several 15 to 20-stroke rallies of tremendous excitement and entertainment. This unexpected defeat throws the doubles title wide open and one can sympathise with the frustration which Ramirez so obviously suffered.

In the first match of the evening Harold Solomon (U.S.) won his first match at this level for two years when he beat Raul Ramirez (Mexico) 5—7, 6—3, 6—3.

APPOINTMENTS WANTED

LEGAL NOTICES

INTERNATIONAL CREDIT BANK GENEVA
(En Sursis Concordataire)
NOTICE TO CREDITORS

The Commissaires appointed by the Cantonal Court of Geneva to deal with the affairs of the Bank have had published in the Swiss Official Gazette today a Notice to Creditors of which the following is a free translation:

"International Credit Bank, Geneva—En Sursis Concordataire

In accordance with provisions of Article 32 of the procedure rules of the law on Banks and Savings Banks and Article 10 of the regulations concerning the proceedings of Schemes of Arrangement for Banks and Savings Banks, the draft of the Scheme of Arrangement, the Commissaires' Notice, an abridged Statement of Affairs, a Summary of the Assets and of the liabilities have been deposited with the authority governing the Scheme of Arrangement for inspection by Creditors who establish their titles. The authority governing the Scheme of Arrangement is,

Cour de Justice Civile,
Premiere Section,
Palais de Justice,
1 Place du Bourg-de-Four,
1204 Geneve.

Date of deposit: 2nd December, 1975.
Period of deposit for inspection: 30 days.

Creditors objections to the draft Scheme of Arrangement must be made, in writing, to the authority governing the Scheme of Arrangement during the period of deposit for inspection. Those Creditors who do not make their objections within the period of deposit for inspection will be deemed to have approved the Scheme of Arrangement.

The draft of the Scheme of Arrangement will also be available for inspection at the following places:

Geneva: Banque de Credit International Geneve En Sursis Concordataire
7-9 Rue du Conseil-General
1205 Geneve.
Zurich: Deloitte, Haskins & Sells A.G.
Kurvenstrasse 17
8035 Zurich (until 4th December, 1975)
Zollikerstrasse 226
8032 Zurich (after 5th December, 1975)
London: International Credit Bank Geneva
London Branch
13 St. Swithin's Lane
London, E.C.4
Luxembourg: Deloitte, Haskins & Sells
16 Rue Notre-Dame
Luxembourg.

The Commissaires of the Scheme of Arrangement:
Deloitte, Haskins & Sells S.A.
Me. P. Engel
M. C. Wintsch
Robert Pennone."
2nd December, 1975.

HOTELS

PERSONAL

GENERAL APPOINTMENTS

ENTERTAINMENT GUIDE

THEATRES ARE CONTINUED ON PAGE 33

Heineken sees recovery

BY MICHAEL VAN OS AMSTERDAM, Dec. 3.

HEINEKEN, the large Dutch-based beer and soft drinks company, saw its sales rise to Fls.1.842bn. from Fls.1.584bn. in the financial year 1974-75. But the company's consolidated net profits declined by 12.9 per cent. to Fls.70.6m.

According to a statement published here to-day prior to the issue of the annual report on December 19, Heineken's net profit per share has fallen to Fls.9.93 from Fls.11.39 in 1973-74. It has been decided to propose an unchanged cash dividend of Fls.3.50 per share for the financial year 1974-75.

Heineken also stated it is proposing to raise the current capital of Fls.177.8m. in an effort to "bring the number of shares in issue into a better relationship with the shareholders' equity." This would be achieved by issuing shares out of reserves and there will be a cash dividend payment to compensate the shareholders for Dutch income-tax to be incurred on the bonus distribution.

The details so far released of Heineken's performance in the year 1974-75 suggest there has been a strong recovery in the second half, no doubt due to improved weather conditions. First half sales rose 11 per cent., but net profits fell by more than 30 per cent.

Major factors responsible for the declining results include the sharp increase in depreciation costs occasioned by the big new Zoeterwoude brewery project, disappointing performances by acquisitions in France and Italy and nationalisation of interests in Zaire.

Ruetgers joins the club

BY GUY HAWTIN FRANKFURT, Dec. 3.

CHRISTMAS CHEER is sadly lacking in the chemical industry this season, and this is hardly surprising in view of the dreadful performance that the sector has put up this year. But one can hardly blame the concerns themselves. The recession has beaten down demand on every front while the cost of raw materials has soared.

The downturn has been reflected in the figures produced by the best run West German concerns. The "Big Three"—Bayer, BASF, and Hoechst—have all reported heavy downturns in sales and profits. The smaller concerns have, to a greater or lesser degree, suffered with the majors and, therefore, it comes as no shock that Ruetgers, the Frankfurt-based chemicals and plastics concern, *has also reported disappointing* figures.

Turnover of Ruetgerswerke fell by 6 per cent. in the first 10 months of 1975, according to Dr. Heinz-Gerhard Franck, chairman of the executive board, to-day. It dropped from the DM1.16bn recorded in the first 10 months of 1974 to under DM1.09bn.

However, while nothing is yet certain, the concern is hoping to be able to maintain its 16 per cent. dividend—DM8 per DM50 nominal share—despite the downturn. But it seems unlikely that the extra DM1 per share paid as a 125th jubilee bonus last year will be consolidated into this year's pay-out.

Dr. Franck, who explained that the Ruetgers management had no "fetish" about the continuity of dividends, indicated that results should be sufficient to hold the 16 per cent. level. He pointed out that the decline followed one of the best year's in Ruetgers' 126 years of existence.

The recession had produced extraordinarily hard competition, he said. The concern's task had not been made easier by the appearance of low-priced imports in individual areas which had prevented Ruetgers from passing on the burden of rising costs to customers—indeed, in certain areas they had been forced to drop prices.

Understandably, the management had introduced rationalisation and savings measures where possible in a bid to combat the effects of rising costs and falling prices. But despite these measures, it had been decided not to cut back on the previous year's programme of increased capital investment.

Investment in 1975 was expected to total DM65m. This compared with DM55m. in 1974. In the coming year, it was expected to increase slightly to DM66m. The workforce during the course of the current year had declined by 7 per cent. to 10,343.

Dr. Franck said that this year's turnover decline had to be seen against the background of an enormous increase in raw materials prices last year. During the first ten months of 1974, turnover had soared by 34 per cent., but 30 per cent. was attributable to huge rises in raw materials costs.

In 1975 there was a far smaller difference between real and nominal turnover shrinkage. In real terms, turnover was down 8 per cent. as compared with the nominal 6 per cent.

Basic chemical products had suffered from declining demand and turnover, but hardest hit had been the plastics sector. Home demand was substantially down while there had been a heavy fall in export purchases.

Bayerische Hypotheken growth continues

BY GUY HAWTIN

BAYERISCHE Hypotheken und Wechselbank, Bavaria's leading mortgage bank, has continued to push up its earnings throughout 1975. An interim report on the first 10 months shows a 19 per cent. increase in interest earnings from its banking business against the same period of last year.

The Bayerische Hypo report said that the interest surplus on the banking side, including earnings on securities, book-debts and shares, totalled DM423m. This was DM67m. more than in the 10-month average in 1974. On the mortgage side there was also a rise in interest earnings.

A 9 per cent. increase was noted in the bank's balance-sheet total over the period. It went up by DM2.4bn. to DM29.4bn. The balance-sheet total growth rate appears to have accelerated considerably in the second half of the year. At the half-way mark it had risen by DM687m. to DM27.65bn.

Credit volume, which remained depressed throughout the year, improved somewhat towards the end of the period under review. Credit volume which had declined by DM410m. to DM10.6bn at the half-year stood at DM10.8bn. at the end of October.

Savings deposits rose sharply, echoing the traditional pattern of German savers during times of recession. They rose by DM1.5bn. to DM7.5bn. over the 10 months. The Hypo commented that some 57 per cent. of customers' deposits were in savings accounts at the 10-month stage.

M. Boussac agrees Frs.150m. for CITF

By Robert Mauthner

PARIS, Dec. 3.

M. MARCEL Boussac, the 86-year-old French textile and publishing magnate, has agreed to pump Frs.150m. (about £17m.) of his own fortune into the ailing Comptoir de l'Industrie Textile de France (CITF), his organisation's holding company.

This personal contribution towards ensuring the survival of his empire, into which M. Boussac has already poured Frs.550m. over the past six years, was made a condition of further Government aid and bank loans needed to finance the latest plan to restructure the group.

The money put up by M. Boussac will be used to consolidate and partially re-imburse loans totalling Frs.180m. granted earlier this year. In return, the banks have agreed to provide a new medium-term loan of between Frs.30m. and Frs.40m. The Government, for its part, will provide aid totalling some Frs.80m.—the bulk of it from the economic and social development fund.

The Boussac group's financial and management difficulties go back many years and have merely been aggravated by the current recession which has hit the textile industry particularly badly. As long ago as 1971, a former director of the Bank of France, M. Jacques Brunet, drew up a radical restructuring plan which was never put into effect. Since then, a long line of managers and directors have left the group because M. Boussac refused to listen to their advice.

Matters came to a head last spring when M. Boussac appointed his nephew and heir apparent, M. Jean-Claude Boussac, to head the Comptoir, in succession to M. Claude-Alain Sarre, who had resigned following the rejection of his proposals for a sweeping reorganisation of the group.

M. Jean-Claude Boussac's own plan for re-organising the group involves the closure of at least three factories in the Vosges region next year, the reduction of the total workforce by several thousands and the concentration of production on more high quality textiles.

Netstal still in the black

By John Wicks

ZURICH, Dec. 3.

THE SWISS plastics processing machinery concern, Maschinenfabrik und Giesserei Netstal, of Naefels, has recorded a fall of some 25 per cent. in income for the first nine months of this year over the corresponding period in 1974. For the year as a whole however, the company is forecasting a net profit will be achieved though below the 1974 level. The flow of new orders has picked up since the first quarter and is now worth 3.2 months' production, so no short-time working or laying-off has been necessary.

INSEE survey shows French orders rising

PARIS, Dec. 3.

FRENCH industrial orders, particularly for consumer goods, rose in November from the previous very low levels for all products, according to industrialists surveyed by the National Statistics Institute (INSEE).

Both domestic and foreign demand are expected to continue rising in the coming months in all sectors, INSEE said in a four-monthly review of industry.

Reuter

Fresh Euro-loan made by Montedison

BY ANTHONY ROBINSON ROME, Dec. 3.

MONTEDISON International is following up the recent $50m. medium-term Euro-loan arranged by Citicorp International with a new three-year loan expected to amount to between $40m. and $50m., which is being arranged through Morgan Grenfell. The Citicorp loan was originally conceived as a $30m. affair but subsequently ended up as $50m. Maturity was five years and spread 1⅞ per cent.

The loan now being put together also started at $30m. but is expected to be finalised shortly at significantly more. The terms, however, are rather different. The spread for example is a remarkably low 1⅞ per cent. for the first year and 1½ per cent. for the subsequent two years with average life of 30 months. One factor which is believed to have facilitated matters is the fact that Sig. Giorgio Cefis, son of Montedison President Eugenio Cefis, is Morgan Grenfell representative in Milan.

The other ace up Montedison's sleeve is the reputation of its finance Director Sig. Giorgio Corsi and the fact that the *funds* raised will be for investment outside Italy as part of Montedison's international expansion.

Closer examination of the loan terms, however, reveals that the overall cost to Montedison will in fact be the same in both cases. The second loan operation is essentially an extension of the first and indeed was decided as soon as it became clear that Montedison's international operations were considered a tolerably good risk by the market. This being the case Montedison is believed to be contemplating further fund-raising operations of this kind.

Nevertheless, the conditions of the loan have surprised some merchant banking sources here who point out that Montedison expects to lose some L200bn. this year and faces considerable problems in disposing of its major loss makers, such as its obsolete fertiliser and synthetic fibre plants.

Schering profits fall on higher sales

BERLIN, Dec. 3.

SCHERING said that its operating profit and yield on turnover fell in the first nine months of 1975 compared with the same 1974 period, as increased costs could not be covered completely by higher sales.

The situation will not change in the fourth quarter but Schering said in a letter to shareholders that it still expects a satisfactory balance sheet profit for the whole year. In 1974 net parent company profit rose to DM53.6m. from DM49.1m.

Net group turnover rose by 3 per cent. in the first nine months to DM1.34bn. (DM1.3bn.) while parent company turnover gained 6.7 per cent. to DM876m. (DM821m.) including a 12.5 per cent. rise in exports to DM549m. (DM488m.).

Schering said that parent company pharmaceutical and crop production sales rose, mostly in the export sector, while sales in the electroplating and industrial chemicals sectors continued to fall on low capacity. Part of the Bergkamen works is still working short time due to the bad earnings position in indus*trial chemicals, Schering said.*

Investments for 1975 will not quite reach the planned DM200m. (194m.). The group workforce fell by 3.5 per cent. to 18,352 at end-September from end-December.

Schering added that its purchase prices for raw materials rose by 6 per cent. in the first nine months while its *selling* prices rose by an average 5 per cent.

Rheinstahl plans to spend more

ESSEN, Dec. 3.

RHEINSTAHL will have DM237m available for investment during the 1975-76 business year against DM229m. previously, a spokesman said.

The new total consists of DM149.8m. now authorised by the Supervisory Board together with DM87.2m. carried over and will be used mainly in the forging and foundry sectors.

Planned write-offs for 1975-76 are DM130m. (175m.)

The company changed its business year to October-September from the calendar year basis following its takeover by August Thyssen-Huette.

Reuter

Beijerinvest takeovers

BY JOHN WALKER STOCKHOLM, Dec. 3.

BEIJERINVEST, one of Sweden's leading trading and industrial group, has bought the shares of Import AB Mansson and Co., the industrial wholesalers, as well as two subsidiaries, Acierex AB and AB Skruv and Mutter.

The turnover of the three companies is expected to amount to Kr.70m. (£7.7m.) this year, while the pre-tax profit is forecast to be between Kr.3m. to Kr.4m.

The operations of the newly acquired companies will remain unchanged but will be within the Swedish division of Beijerinvest's trading group.

Acierex delivers special steel to the engineering industry and represents a number of companies in the Krupp concern. Skruv and Mutter market anti-corrosive components and Mansson and Co. are wholesalers of synthetic threads and textiles.

Dubai to raise $150m.

BY MARY CAMPBELL

DUBAI IS raising a $150m. Euromarket loan, market sources said yesterday. The loan is for five years and offers participating banks a spread of 1½ per cent. Morgan Grenfell is *the lead manager.*

The purpose of the loan is to provide further finance for the Dubai dry dock scheme. The borrowing will in the name of the ruler of Dubai, Sheikh Rashid bin Said al-Maktoum.

Next foreign bond issue in the Swiss Franc sector will be Sw.Frs.80m. for the Norwegian company, Ardal og Sunndal Verk. Coupon will be the usual 7½ per cent. and lead manager *Swiss Bank Corporation. The* Denmark loan has been priced at par.

Libya and Oman have joined the existing twelve Arab government shareholders in the Riyadh-based Arab Investment Company. The authorised capital of the company has been raised from $255m. to $300m.

Pretoria scheme of arrangement

By Richard Rolfe

JOHANNESBURG, Dec. 3.

PRETORIA Portland Cement has proposed a scheme of arrangement to acquire the shares it does not already own in its 58 per cent. controlled subsidiary Cape Portland Cement on terms which are a mixture of cash and Pretoria equity. Cape shareholders can elect to receive either 270c per share cash, against the pre-bid price of 210c, or one fully-paid share in Pretoria plus 40c cash. These latter terms, with Pretoria quoted after the news at 235c buyers, 250c sellers, probably amount to a slightly better deal.

The total consideration will be R2.9m. if all Cape shareholders take cash. Alternatively, 1.1m. Pretoria shares *may be issued* on top of the 12m. currently in issue, and R426,000 cash paid out, if they all opt for shares and cash.

The deal is in line with the established policy of Barlow Rand, which controls Pretoria with 31 per cent of its shares, of consolidating its interests where feasible, especially those acquired by the Rand Mines takeover four years ago. Barlow recently bought a further 1.3m. shares to raise its stake in Pretoria to 31 per cent. and the chances of its going for 50 per cent. or more are quite high. The merged group will have total cement sales of R60m. and will be the biggest group of its kind in the Republic.

Restructuring scheduled at Afcol

By Richard Rolfe

JOHANNESBURG, Dec. 3.

IN A MOVE reminiscent of Abercom's hiving-off Primrose three years ago, SA Breweries Furniture subsidiary, Afcol, is to offer its shareholders one new *share in a company* to be called Amalgamated Retailing for every five Afcol shares now held. The result of the deal will be to issue a total of 5.4m. Amalgamated Retail shares and to restructure Afcol itself so that it becomes a group with quoted tailing and manufacturing arms. Both will remain subsidiaries of SA Breweries however which has 55 per cent. of Afcol and will therefore assume the same share of the new company.

Amalgamated Retail will have a turnover of about R45m. in its first full year, beginning March 1 and should be a beneficiary of *the* TV boom which is now in the pre-Christmas period, beginning to gather momentum for the first time.

Dull results at Cementation

By Richard Rolfe

JOHANNESBURG, Dec. 3.

CEMENTATION, the 67 per cent. subsidiary in South Africa of Trollope and Colls, is closely linked to the progress of mining and domestic industrial development through its civil engineering and manufacture of steel products. Given the buoyancy of these sectors the latest results for the year to September 30 are not particularly outstanding. Group pre-tax profits rose from R1.7m. to R2.5m. but, reflecting the elimination of losses at the William Bain structural steel subsidiary, the tax charge rose from R298,000 to R846,000. So the net out-turn was only up from R1.4m. to R1.7m.

This has left earnings per share 5.2c to the good at 27c and the dividend has been conservatively raised 0.5c to 9.5c, putting the shares at 110c on a 9 per cent. yield. But the order book is buoyant at R37m. now compared with R24m. a year ago and gold mining developments, among others, should ensure rising activity for the 50 per cent. owned shaft-sinking associate, Gold Fields Cementation Mining. This suggests that the profits trend in the current year should be even more encouraging.

Continental lifts Containers stake

BY JAMES FORTH SYDNEY, Dec. 3.

CONTAINERS LIMITED, one of Australia's largest can and packaging groups, plans to issue an 11.7 per cent. equity holding in the company to Continental Can Company of the U.S. Already the second largest shareholder in Containers, Continental will lift its holding to 14.2 per cent., putting it slightly ahead of the current major shareholder, Metal Box Company of the U.K. Metal owns 13.3 per cent. The issue price is $A2.60, which is well above Container's market price of $1.75. The placement will raise $A5.67m.

The Containers directors said that since the formation of the company in 1950 it had a close relationship with Continental Can as its principal licensor through a technical agreement. The purpose of the issue was further to consolidate Containers' right of exclusive access to the research, technical development and manpower resources of Continental in both metal and flexible packaging. The issue would also provide funds for expansion of the group's new two-piece can making and general packaging operations.

The directors said that the company's principal competitors in the beer and soft drink markets were supported by substantial overseas interests. They felt that the greater commitment by Continental Can would provide strength and security to the company, both as to access to technology and to maintenance of the company's present dominant market share.

The proposed issue will not go before the Foreign Take-overs Committee: the Continental holding will remain just under the 15 per cent. guideline for individual foreign shareholders and the combined foreign holding, with the Metal Box equity, is under the 40 per cent. level at which Containers would be classed as a foreign company. However, the issue will need to be approved by shareholders because it is for more than 10 per cent. of the capital. An extra-ordinary meeting has been called for December 19 to consider this matter.

New HIL chief finds areas to explore

BY PAUL R. STRAUSS HONG KONG, Dec. 3.

A LITTLE MORE of the troubled Hutchison International's past problems and potential conflicts has come out into the open in its annual report.

A setback on the scale of the reported $HK128m. ($US25.6m.) loss had been expected ever since the August purchase by Hong Kong and Shanghai Bank of 150m. $HK1 shares, and the appointment of a new chief executive officer, Mr. W. R. A. (Bill) Wyllie.

What had not been expected was a public declaration of the extent of remuneration earned from Hutchison by directors including the former executive and now non-executive chairman, Sir Douglas Clague.

Under public-disclosure regulations which came into effect on October 1, Hutchison was the first large Hong Kong company to file directors' aggregate emoluments, pensions and compensations. In contrast with British law, Hong Kong only requires declaration of the total sum in each category.

In Hutchison's case, the amount was $HK4.5m. for the last financial year and $HK11.8m. for 1973-74.

According to the explanation of Mr. Wyllie, these sums have been paid to a management firm controlled by Sir Douglas, Hutchison Holdings (HH), which in 1965 had entered into a year contract with Hutchison International (HIL).

"The new legislation in our case is so designed that it will make the figures look bad," Sir Douglas was quoted as saying.

But in fiscal 1973-74, HIL made a net loss of $HK42m. There has as yet been no explanation for the $HK11.7m. management fee of that year if it was, as Mr. Wyllie stated, based on company profits.

"I feel that the matter clearly has to be examined," said the new chief executive, "and we are digging into it right now."

He said also that a management agreement based on profits had also been concluded with one of HIL's major subsidiaries, John D. Hutchison and Co., a wholly-owned subsidiary, for which no disclosure is required by Hong Kong law.

Management contracts for both HIL and its subsidiary have now lapsed and no similar arrangements will be concluded in future, Mr. Wyllie said.

KLSE asks Mosbert for more information

KUALA LUMPUR, Dec. 3.

THE KUALA LUMPUR Stock Exchange (KLSE) has asked the Mosbert group of companies for additional information on *their financial position.*

In separate letters to the three companies — Mosbert, South Johore Amalgamated Holdings and Malaysian Woodwool Products—the KLSE asked for details of all secured creditors of the companies and the security given.

It also asked Mosbert for details of the efforts made in *arranging financing for* the group and the outcome of the talks currently being held in London by its chairman with the parent company's principal bankers.

Reuter

Malakoff and Highland Lowland share suspension

KUALA LUMPUR, Dec. 3.

TRADING in the shares of *Malakoff Rubber Estates (MREL)* and Highland and Lowlands Para Rubber (HL Para) will be suspended from December 5 and 8, respectively, a Stock Exchange announcement said.

This follows the two companies' recent proposed scheme of reconstruction, under which their domicile will be transferred to Malaysia from the United Kingdom.

The reconstruction involves the voluntary winding up of the two parent companies and their subsidiaries and the transfer of their respective assets and liabilities to newly-formed Malaysian companies—Malakoff Berhad and Highland and Lowland Berhad (HL Berhad).

Reuter

SELECTED EURODOLLAR BOND PRICES MID-DAY INDICATIONS

STRAIGHTS	Bid	Offer
Aquitaine 10pc 1985	102½	103½
Ashland 8pc 1987	89½	90½
Austraswiss 8pc 1987	89½	90½
Borregaard 8½pc 1989	94½	95½
Broken Hill 10pc 1990	101	102
Carrier 8pc 1987	89	90
Conoco 8pc 1986	97	98
Consd. Foods 7½pc 1991	87½	88½
Cutler Hammer 8pc 1987	91½	92½
EIB 9½pc 1985	101½	102½
ERAP 9½pc 1985	100	101
Esso 8pc 1986 Nov.	98½	99½
General Cable 8½pc 1987	89½	90½
General Motors 8½pc 1986	101½	102½
Granges 9½pc 1985	98	99
GTE 8½pc 1986	95½	96½
New Zealand 9½pc 1982	101½	102½
Pacific Light 8pc 1985	90	91
Prov. of Quebec 7½pc 1988	88½	89½
Quebec Hydro 8½pc 1989	98½	99½
Queensland 8½pc 1987	91	92
Scanraff 8½pc 1988	97½	98½
Shell 8pc 1986	96½	97½
Stand. Oil (Ind.) 8½pc 1988	99½	100½
Tenneco 7½pc 1987	86½	87½
Transocean 8pc 1986	87½	88½
Utah 8pc 1987	92	93
Volvo 9½pc 1985	100½	101½
J. Ray McDermott 4¾pc '87	113	115
Mitsui 7¼pc 1990	101½	102½
J. P. Morgan 4¾pc 1987	101	103
Nabisco 5½pc 1988	91	93
Owens Illinois 4½pc 1987	89	91
J. C. Penney 4½pc 1987	77	79
Pioneer 6½pc 1989	170	175
Rank 4½pc 1993	41	43
Revlon 4½pc 1987	99	101
Sperry Rand 4½pc 1987	91	93
Squibb 4½pc 1987	88	90
Texaco 4½pc 1988	76	78
Toshiba 6½pc 1990	101	103
Union Carbide 4½pc 1982	101	103
Warner Lambert 4½pc 1987	94	96
Warner Lambert 4½pc 1988	82	84
Xerox 5pc 1988	69	71

Source: Kidder, Peabody Securities.

NOTES	Bid	Offer
Air France 9¼pc 1982	102½	103½
Ardal 9½pc 1980	101½	102½
Aust. Ind. Dev. 10½pc 1981	104	105
Barclays 9½pc 1982	100½	101½
Cie Nat. du Rhone 10pc '82	103½	104½
Du Pont 7½pc 1978	101½	102½
Esso 7½pc 1978	100½	101½
General Motors 8½pc 1976	101½	102½
Montreal 9½pc 1981	100½	101½
Nippon Steel 9½pc 1980	99½	100½
Norway 9pc 1980	102	103
Skand. Enskilda 10½pc 1981	104	105

Source: White Weld Securities.

CONVERTIBLES	Bid	Offer
American Express 4½pc '87	81	83
Ashland 5pc 1988	79	81
Beatrice Foods 4½pc 1992	95	97
Beatrice Foods 4½pc 1992	103	105
Borden 5pc 1992	93½	95½
Broadway Hale 4½pc 1987	78	80
Canon Camera 7½pc 1989	92	96
Carnation 4pc 1987	85	87
Chevron 5pc 1988	97	99
Dart 4½pc 1987	83	85
Eastman Kodak 4½pc 1988	118	120
Economic Labs. 4½pc 1987	80	[illegible]
Eldal 7½pc 1989	68	70
Fed. Dept. Stores 4½pc '85	129	131
Firestone 5pc 1988	88	90
Ford 6pc 1986	85	87
Ford 5pc 1988	77	79
General Electric 4½pc 1987	83	85
Gillette 4½pc 1987	77	79
Gould 5pc 1987	96	98
Gulf and Western 5pc 1988	85	87
Harris 5pc 1992	70	72
Honeywell 6pc 1986	76½	78½
ITT 4½pc 1987	67	69
Komatsu 7½pc 1990	102	104

FINANCIAL TIMES REPORT

Thursday December 4 1975

MONTSERRAT

In an increasingly violent world the tiny West Indian island of Montserrat appears a haven of quiet and stability. Economic survival, however, presents a problem in urgent need of solution.

Happy with ...ts ...ot

A time when most of the ...d World is clamouring ...ferously for greater recog...n of its political and ...omic aspirations, any less ...loped country which does ...join in the chorus must ...ounted as an anomaly. Such ...e case with Montserrat, the ...lest island in the British ... Indies, with a land area of ...than 40 square miles and a ...lation of only 12,500.

...e first impression striking a ...or to the island is that of ...oing back into an earlier ... when Caribbean life ...inely resembled the ideal...vision of primitive exoticism ...ented by the tourist bro...es. The motor car is there, ...ourse, along with electric ...r and a remarkably efficient ...hone system. But apart ... that, Montserrat seems to ... been brushed only lightly ...e 20th century.

...e capital, Plymouth, is little ... than an overgrown village ...h can be crossed on foot in ... than 15 minutes. No build... is more than four storeys ..., and there are no large ...ern hotels housing hordes of ...ling tourists. The surrounding landscape is all that a Caribbean island should be—jagged peaks cloaked with lush tropical vegetation which slope gently towards sandy beaches, most of them untouched by commercial development

This impression of tranquillity is deepened on closer acquaintance. Montserrat has some poverty, it is true, but none of the urban slums of Kingston or San Juan. It is almost entirely free of the social frictions which have wracked other Caribbean islands in recent years. Perhaps because there are not too many of them, tourists are not regarded as hostile intruders, and the disagreeable encounters which sometimes befall the unwary traveller elsewhere in the Caribbean are unknown.

In recent years, Montserrat has remained notably immune from the nationalist fervour and pressures for self-determination which have shaped politics in other parts of the Caribbean. With the apparent consent of almost all the electorate, its Government remains comfortably wedded to the political status under which it has lived since 1866 as a British crown colony—the last remaining in the Windward and Leeward Isles.

Given the island's comparative isolation, this failure to move with the times might seem attributable to extreme backwardness and political myopia. But this is not so. Rather, Montserrat's declared willingness to go on living under the colonial mantle is the result of a deliberate and rational decision taken with full knowledge of the alternatives.

Montserratians display a surprising sophistication about the world around them. Even in some of the smaller villages one hears talk of the increase in OPEC oil prices and the subsequent onset of worldwide recession and inflation. One reason is that many of the population receive remittances from relatives who have emigrated to Britain, Canada and the U.S., and the reduced payments they are sending home speak eloquently of economic conditions in the developed world.

Radio

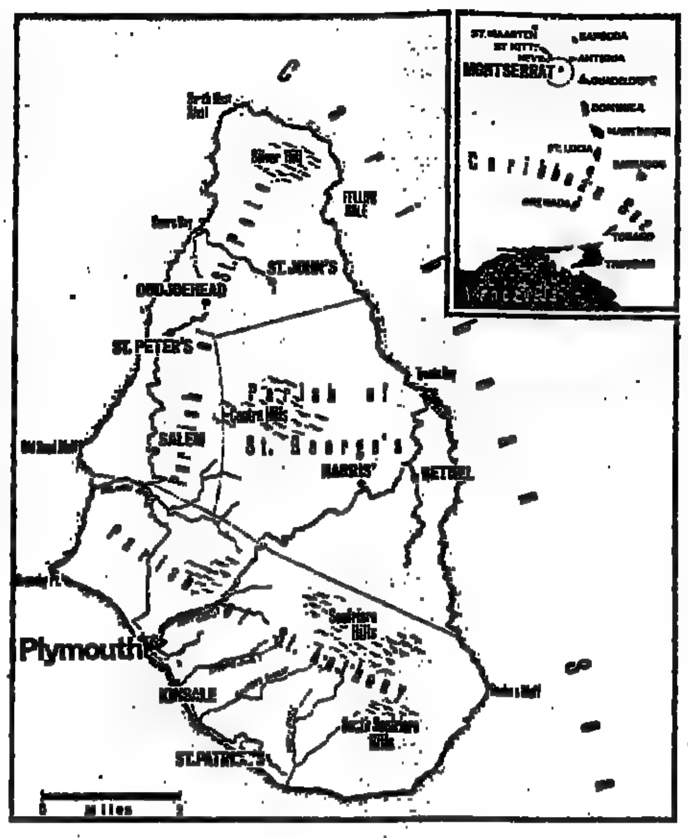
In addition, Montserrat is well served by two radio stations, both of which broadcast frequent bulletins on local news and international affairs, drawn in part from the BBC World Service. One of the stations is owned by the Montserrat Government and has recently begun educational programmes, during which listeners are invited to call in to discuss problems of the day. The other, Radio Antilles, is German-owned and broadcasts throughout the Caribbean from facilities on the island's southern tip.

What Montserrat's Government has observed in other parts of the developing world has led it to the stark conclusion that there would be little point in seeking political independence so long as the island cannot survive economically on its own. For, in truth, Montserrat has no real economic base. It has no valuable natural resources, no manufacturing industry, only a small tourist trade and a weak agricultural sector which makes it a heavy net importer of food and other items.

Preserving the colonial link with Britain has thus become a seemingly unalterable principle, which easily survived the one moment of political turbulence that the island has undergone in recent years. This occurred in 1969 when Mr. Austin Bramble mounted a successful election campaign which dislodged his father, Mr. William Bramble, chief minister for the previous 12 years.

The toppling of Mr. Bramble senior caused some surprise in the neighbouring islands, where he had been regarded as one of the most firmly entrenched leaders in the region. In another setting, it might have presaged a violent reversal of policies and ushered in a period of political turmoil.

This has not happened; indeed it would be hard to portray Austin (as he seems to be known to almost everyone) as a radical. His most controversial actions have been to increase spending on health and social services and to increase income taxes. This latter measure, enacted earlier this year, drew howls of indignation from the business community. Yet Montserrat's overall tax burden remains reasonable when compared to other islands in the region, with the obvious exception of those with no taxes at all.



This Report was written by Guy de Jonquieres

If anything, the younger Mr. Bramble has revealed himself in some ways to be more of a conservative than his father. One of his policies has been to slow the development of resort villas (which was falling off anyway) pioneered by the previous administration, and to emphasise efforts to restore the flagging agricultural sector.

A man of simple tastes and without personal pretension, the younger Mr. Bramble's honesty is unquestioned even by his critics. Indeed, one of his weaknesses may be that he does not have quite enough guile for a politician. He clearly feels quite genuinely for the poorer families that make up much of the island's population, and his sensitivity may sometimes cause him to shrink from difficult but necessary measures that could worsen their plight temporarily.

Mr. Bramble's friends like to portray him as an idealist. But in conversation he seems painfully aware of the practical obstacles that the island must learn to surmount and the scarcity of tools for tackling them. His task is further complicated by his deliberate rejection of a large-scale expansion of Montserrat's tourist potential: While this might bring short-term economic benefits, he fears that it would also endanger the social harmony and friendliness that are so much a part of the island's character.

The present Chief Minister firmly believes that, in a region where political ferment has been on the increase, Montserrat's main economic asset is the political and constitutional stability arising from its links with Britain. This is demonstrably true in so far as the island has attracted a small but quite affluent group of retired people from the U.S. and the U.K. to make their permanent homes there.

Mr. Bramble has been quick to rebuff suggestions, both at home and abroad, that these links should be severed. He appears to have argued his case so convincingly that a mission from the United Nations Decolonisation Committee, which visited the island earlier this year, abstained from making any firm recommendations concerning Montserrat's political future in its report.

The imperial yoke rides fairly easily on Mr. Bramble's shoulders. Even though Britain is technically in charge of Montserrat's foreign policy, the island's Government has been primarily responsible for negotiating such external affairs as its entry into the Caribbean common market last year. For much of the time, the Governor, Mr. Derek Matthews, acts chiefly as an adviser, and the Government's only serious complaint is that it does not enjoy enough freedom in the forward planning of its budget.

Investment

But even with British aid, the task of improving Montserrat's economic lot remains a hard one—all the more in the current world recession. Some meaningful steps are being taken to revive agriculture, and attempts are being made to attract investment in light industry. The possibility of generating electricity from geothermal sources and wind power are also being explored.

Even if current expectations for the projects are exceeded, though, the day when Montserrat can realistically look forward to self-sufficiency is a long way distant. Though it has received some help from its partners in Caricom, mainly in the form of trade concessions, this has amounted to little more than a token gesture, and the Government is acutely aware that it lacks the political weight to extract much in the way of further concessions.

Thus, barring any sudden shift in what now seems to be an overwhelming political consensus, Montserrat appears likely to retain its dependence on Britain for some years to come. For Britain, the burden is a minute one. Total U.K. aid this year totals less than £1m. and it is supplemented by assistance from Canada, the United Nations Development Programme and the Caribbean Development Bank.

Even at a time when Britain itself is fighting major economic battles of its own, this seems a small price to pay, all the more so when one realises that severing the colonial tie would probably result in savings of less than current disbursements, while seriously jeopardising Montserrat's current efforts to come to terms with economic adversity.

BASIC STATISTICS

Area	39.6 square miles
Population	12,500
GDP	$EC29.6m.
Trade (1974)	
Imports	$EC15.3m.
Exports	$EC260,569
Re-exports	$EC787,000
Imports from U.K.	$EC4m.
Exports to U.K.	$EC6,888
Currency: East Caribbean dollar	
£1=$EC4.80	

Economic problems

THE OFFICE of Mrs. Mary Tuitt, the Permanent Secretary for Education and the Chief Minister's right-hand woman, overlooks the cell block of the Plymouth police station. While discussing Montserrat's economic problems, she is interrupted by the noisy protests of a drunken prisoner being detained across the street. Puckering her lip, she remarks wistfully: "That could well be someone who should be gainfully employed."

Expanding employment is a major and pressing problem for an island with little tourism, no manufacturing industry and no indigenous raw materials of any value. The past 18 months have, understandably, created additional difficulties. Though no precise figures are available, there is no doubt that the unemployment rate has risen sharply.

In local terms, the single biggest reason has been the decline in new residential construction. This sector boomed during the late 1960s as a result of the previous Government's policy of encouraging the sale of coastal land to investors and retired people wanting to build villas. In 1970, when the last census was taken, more than a third of the male labour force of 2,500 was employed in construction or installation.

With the advent of recession in the U.S., Canada and Britain, demand for such properties inevitably fell off. Some of the slack has been taken up by a condominium project financed by a local businessman and by a new hospital being built with British aid funds. But this activity has been insufficient to absorb all those laid off.

Even if construction recovers in the coming months, Montserrat faces continuing pressures to create new jobs over the long term. The rate of natural population increase is high and is likely to decrease significantly in the near future.

In the past few years this problem has been eased somewhat by a heavy wave of emigration. It is now estimated that as many as 4,000 Montserratians live in the U.K. alone. But tighter immigration procedures in Britain, the U.S. and Canada, as well as neighbouring islands in the Caribbean, are making it harder for Montserratians to find work overseas.

Decline

In its search for new employment opportunities, the Bramble Government has turned first to agriculture, which had fallen into decline in recent years. Some progress is being made in encouraging a return to the soil, though given the relatively small part of Montserrat's total land area suitable for cultivation or grazing, the scope is inevitably limited.

Recently, the island has also been stepping up its efforts to attract manufacturing industry. Earlier this year Mr. Bramble made a tour of the U.S., where he tried to convince a number of businessmen to consider Montserrat as a base for operations in the Caribbean area.

As Mr. Bramble readily concedes, Montserrat is handicapped by a relatively high level of wages and cannot compete with countries like Haiti, whose cheap labour has proven a magnet for outside investors. Thus the island is likely to appeal more to the company that places a premium on political stability rather than on the opportunity to make a very high return on capital in a limited period.

Another sector which promises to develop, albeit on a small scale, is handicrafts. Like other parts of the Caribbean, Montserrat has seen its traditional handicrafts decline, but some old skills remain. The island is trying to increase output of such goods as leather ware, pottery, and linen and clothing made out of sea island cotton.

Just as pressing as the need to create new jobs is that of reducing the appalling imbalance on Montserrat's trade account. During 1974, imports totalled EC$15.3m., dwarfing a meagre export figure of a mere EC$260,000. Though the rate of export growth has improved (exports quadrupled in value between 1968 and 1974), their volume remains far too small to have any significant impact on the trade deficit, which almost doubled in the same period.

Roughly half the deficit last year was financed through aid totalling about EC$6m. Of this EC$3.6m. was provided by Britain, EC$2.3m. in the form of development aid for capital projects and EC$1.3m. as grant-in-aid.

Canada, which began giving aid about five years ago—apparently in the belief that Montserrat was destined to become an associated state—has proven a remarkably generous donor, contributing EC$1.6m. last year. The remainder came from the Caribbean Development Bank and the United Nations Development Programme.

Much, if not all, of the rest of the deficit appears to have been covered by remittances sent home by Montserratians living overseas. The exact amount cannot be determined exactly, since fear of the tax inspector breeds intense secrecy. But in some of the villages one sees surprising signs of affluence, which can hardly be the result of locally earned income.

Montserrat's heavy dependence on imports, which are equivalent to about half its gross domestic product, make it especially sensitive to the effects of inflation elsewhere. In the past 18 months it is estimated that retail prices have risen by about 30 per cent. and there has been little sign of any slowdown.

Imbalance

The best hope for correcting the severe trade imbalance in the near future almost certainly lies in import substitution rather than in expanding into new areas. There is plenty of scope for improvement, especially in the area of food. It is quite common to see canned foods being served where an equivalent could be grown locally, and most restaurants still serve condensed milk even though Montserrat is suited for dairy herds.

Monserrat faces additional problems, both as an importer and exporter, because of rather inadequate transportation. There is a twice-daily air service linking it with Antigua, though this tends to be irregular, and the aircraft employed are of the passenger variety, with little room for carrying freight such as fresh vegetables, which might be exported.

Sea transport has also been a source of some concern. The number of vessels calling at Montserrat has fallen off sharply this year, and the one scheduled freighter, owned by the West Indian Federation, ceased calling in early November. Because of the island's small size, many ship operators apparently do not find it economic to make Montserrat a port of call.

Conditions may improve next year after work is completed on a lengthening of the pier (known grandly as "the deep water port"), which will enable vessels weighing more than about 20 tons to dock there. At present, most goods have to be brought ashore on lighters, a lengthy and inefficient process which itself adds to the already high cost of imports.

Not surprisingly, Montserrat has been by no means immune to the impact of higher oil prices, and fuel now accounts for more than 10 per cent. of total imports, up from 5 per cent. two years ago. The price of petrol has been held ... to about $EC1.60 per gall... well below the British pr... by the Government's refus... grant an increase to the ... companies, but this in turn encouraged two of the isla... three fuel suppliers to susp... their service.

Whether there is any ... scope for tapping local so... of energy remains uncer... There is some hope ... sources of Geothermal ... could be developed (one of ... island's more unusual fea... is the hot sulphur spr... bubbling up at various poi... and the U.K. is financing a ... ing programme that is du... begin some time next year.

In addition, Mr. Bramble ... also been discussing the p... bility of generating electr... from windpower by erec... windmills on mountain ... Montserrat is swept by al... constant breezes, but the ... rent state of technology m... it difficult to store the e... tricity thus produced for ... period.

In attempting to deal with ... economic problems, Monts... now appears to have closed ... door on one option that ... mooted a few years ago—th... becoming a tax haven ... Bermuda or the Dutch Anti...

The latest budget appr... by the island's legisla... earlier this year contained ... fairly stiff revenue meas... the tax on corporate profits ... doubled to 40 per cent. an... surcharge was imposed on ... dividual income tax, equiva... to 50 per cent. of the tax ... on a taxable income excee... about EC$7,000.

The Chief Minister made ... clear that he felt it impor... to maintain and improve ... services such as health care ... education even in a time ... economic adversity. Never... less, despite these added ... Montserrat's tax burden (w... now provides for a maxi... personal income tax rate ... per cent.) can hardly be ter... excessive by Carib... standards. And given the ... ing appeal of offshore ... havens in recent years, ... doubtful whether the ... would have gained muc... turning itself into a fiscal p... dise.

Getting away from it all

MR. IVAN BROWNE, Montserrat's Director of Tourism, believes that too many people are drawn to the Caribbean under the illusion that they will be diverted by continuous ready-made entertainment. Too often, he says, they find themselves at a loose end when the weather turns rainy, and they complain that the islands are not the carefree playground that they had been led to believe.

Mr. Browne claims to have seen many such groups of people whiling away their time disconsolately during a brief tropical storm, and he should know: for, as a former cruise ship entertainer, he is something of an expert on what keeps people amused. But since taking up his new job, he has hung up his guitar to concentrate on promoting tourism for what he calls "the discriminating visitor."

As Mr. Browne candidly admits, anyone expecting bright lights and strenuous night life will be disappointed by Montserrat. The island makes no claim to cosmopolitan glamour or chic: those seeking evening diversions will have to make do with a drink at one of the local bars in Plymouth, a crab racing event at the Emerald Isle Hotel on Fridays or an outdoor barbecue and steel band at the Vue Pointe, a few miles up the coast, on Wednesdays.

What Montserrat does offer, by contrast, is a genuine retreat for the tourist who wants to get away from it all. Ironically, it is difficult to describe the island's virtues without running the risk of sounding like a copywriter for a travel agency. Given this constraint, perhaps the best summation is that Montserrat comes a good deal closer to living up to the description of "tropical paradise" and other similarly overworked superlatives than many other Caribbean islands.

Physically, there is a surprisingly varied landscape for such a small island. Columbus is said to have named the island because its line of jagged peaks—some of them reaching about 3,000 feet—reminded him of the countryside surrounding the Spanish monastery of Montserrat. At the feet of these mountains meadowland slopes off to the sea, following rounded volcanic contours. The vegetation is lushest on the eastern (windward) side, which is also the most densely inhabited.

The island has some physical peculiarities. One is that many of the beaches are of black sand—bearing witness to its volcanic origins—and a feature which some visitors find surprising. Another is the hot sulphur springs which bubble up through blowholes in various parts of the island. The most spectacular are to be found at Galways Soufriere, a sulphur pit at the southern end which gives off plumes of steam and a stream of hot water. In addition, like all the best tropical islands, Montserrat has a waterfall, which spills to the ground from a height of some 200 feet.

Openness

But the most enduring impression left after a visit is of the remarkable openness and friendliness of the Montserratians. Strangers are accepted without reserve on the part of the inhabitants, and a casual stroll through Plymouth is likely to lead to the striking up of several acquaintanceships. In the smaller villages it is accepted practice to greet passers-by, while passing cars usually flash lights or toot horns.

Health standards are high, and even the poorest dwellings appear sanitary. Nor is crime a factor of serious concern. Burglaries are almost unknown and theft is considered a rarity: a Montserratian secretary ... me that she regularly lef... handbag in her unlocked ... and that it had never b... stolen.

Last year, roughly 7... tourists visited Montserrat. T... is, of course, a mere tri... and there is a good deal ... scope for expanding the isla... tourist potential. Yet, w... fully aware of the econo... and balance of payments be... fits that this could bring, ... Government is also hi... sensitive to the social ... balances and stresses that ... could engender. It has th... fore opted deliberately fo... policy of cautious developm...

At present there are ... about 120 hotel rooms on ... island, roughly half of these ... Montserrat's two biggest ... most modern establishm... the Vue Pointe and the Em... Isle. There have been per... discussions with U.S. h... chains about the possibility ... building another hotel. Bu... far none has borne fr... perhaps because the Gov... ment has laid down strict gu... lines on the size and natu... any new project.

Mr. Browne, who is stro... opposed to the development ... mass tourism of the pack... tour variety, believes that th... is already enough hotel sp... What he would like to see is ... expansion of villa rentals ... an increase in the number

CONTINUED ON NEXT PAGE

Attempts to boost farm output

TER . ALLOWING · its ricultural sector to decline adily over many years, Mont-rat is once again turning to soil. Progress towards the vival of the sector has been dest so far, and the problems t to be surmounted are con-lerable, but at least the portance of encouraging a naissance has been clearly ognised by the Government a concerted effort is now der way to achieve it.

The principal blueprint being d is a new three-year agri-tural plan drawn up with the istance of British technical visers and published earlier s year. The plan itself sets succinctly the reasons for weakness of the agricultural tor and the task at hand: raditionally, Montserrat has ived most of its revenue m agricultural exports. thin the last two decades, 2 to 1972, the position has drastically changed. During this period, the world terms of trade dealt a heavy blow to the agricultural sector. This resulted in the collapse of estate agriculture and was followed by mass migration of the younger and more enterprising members of the farming community. Subsequently, with the emergence of the hotel trade and the construction of retiree homes, agriculture was not able to offer the same wage rates or return on capital that were available in these other sectors of the economy.

Depression

"These combined circumstances plunged the agricultural sector into a major depression, during which the area of land in farms fell from 17,420 acres in 1957 to 5,860 acres in 1972. Almost no new capital investment took place in this period and very few new farmers entered the sector. The 1972 agricultural census showed the total number of farmers to have declined by 60 per cent. from 1954. Only 18 per cent. of farmers were under 40, and 42 per cent. of these were women. Most were over 60."

These circumstances led to a sharp contraction in agricultural exports, which have fallen off by two-thirds in value terms since 1957. During the early 1960s, agriculture accounted for 90 per cent. of total domestic exports of about $EC225,000 a year. By 1973, total domestic exports had fallen to $EC130,000 of which only about 75 per cent. were agricultural. At the same time, Montserrat's food import bill has been sharply increased as a result of worldwide price rises.

Only about one-third of Montserrat's tiny land area is suitable for cultivation, the rest being either too steeply sloping or damaged by soil erosion. Recognising these physical limitations, as well as the shortage of available capital and the realities of the export markets, the plan sets quite modest objectives.

The first of these is to achieve self-sufficiency over the next three years in a range of foodstuffs that can be locally produced, such as onions, potatoes, groundnuts, bananas, corn meal, mutton, pork, fish and milk. The second is to ensure that the value of agricultural exports over the next 15 years will finance at least 50 per cent. of agricultural imports, which accounted for roughly one third of all imports in 1973.

One of the first practical steps undertaken has been to rationalise the distribution of farming land, much of which has been divided into holdings far too small to be economically efficient. The Government has purchased and resettled much of the fertile land, which lies mainly in a horseshoe circling the Soufriere hills towards the southern part of the island.

Efforts are being made to educate farmers in the use of more modern techniques. Subsidies have been made available for fertilisers, which were used by fewer than 10 per cent. of farmers as recently as 1973, and for tractors and bulldozers. The extent of these subsidies is limited by the Government's own resources. But the relatively small size of most holdings — most of which are of less than ten acres — means that a good deal of work can be done by hand.

The task of attracting capable people back to the land has been made easier by the sharp rise in imported food costs, which has provided new incentives to home production. In addition to full-time farmers, some more enterprising Montserratians are combining agriculture with other occupations, on a part-time basis.

Montserrat also has had some success in raising livestock, and one of the largest herds of cattle on the island is owned by an American company which moved there some years ago. Beef cattle predominate, though an effort is being made to increase the proportion of dairy herds. Last year, Montserrat sold a quantity of beef cattle on the hoof to Guadeloupe, but continues to import a large amount of its own beef because facilities for meat-cutting locally are poor. It is hoped that this dependence on imports will be reduced with the completion of a new abattoir next year.

Traditionally, Montserrat's single largest export item was for many years sea island cotton. But recent years have seen a sharp decline in this trade: in 1973, 2,880 lbs of cotton worth less than EC$7,000 were exported, down from a peak of 486,000 lbs worth EC$622,732 in 1952.

The past two years have seen a recovery in cotton growing, in part because of an improvement in world prices, and land under cultivation has jumped from 25 acres in 1973 to 250 acres this year. By next year, most of the suitable land may well be under cotton cultivation. But the Government is unwilling to encourage further expansion both because of the relatively low return and because cotton growing aggravates soil erosion.

Instead, the emphasis is being placed on the development of agricultural products which bring the best export return. These include potatoes, tomatoes, carrots and onions, along with tree crops such as avocados, limes, mangoes and tamarines. The latter are particularly well suited to Montserrat, since they can be raised on quite steep slopes.

Difficult

Finding suitable export markets for Montserrat's agricultural produce may in some cases be difficult. For instance, it faces strong competition in the cultivation of tomatoes from other neighbouring islands, some of which can afford to provide export subsidies. Its potatoes are also relatively expensive on the export market, though problems here have been relieved by Barbados' recent undertaking to purchase all the white potatoes which Montserrat cares to sell, even though cheaper produce can be obtained from other sources.

The task of marketing agricultural exports has been more thoroughly organised since the establishment in 1972 of the development Finance and Marketing Corporation, which also supervises the supply of credit. In addition, the D.F.M.C. has been granted authority to promote the establishment of food-processing industries and storage facilities on the island. At present, Montserrat lacks any canning or processing plant, but is trying to attract outside investment in this field.

Montserrat authorities say that the agricultural development programme is off to a promising start, and that the signs are that most of the objectives set for this year will be met. During the 1974-75 crop year, export earnings rose by about 25 per cent. over the 1973-74 period, and a further rise of roughly 30 per cent. is confidently forecast over the next year.

Away

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visitors during the summer. Contrary to widespread impression, he says, the summer months on Montserrat are neither unbearably hot nor steamily humid. The maximum variation in temperature between winter and summer is only five degrees Fahrenheit.

Off-season villa rentals range from about U.S.$100 a week for a two-bedroom house to about $300 per week for a luxurious three-bedroom home. Rentals during the winter peak season are about 40-50 per cent. higher. In most cases maid service five days a week is included, and often a swimming pool as well.

Most of the villas available for rental are privately-owned and are located in pleasant estates overlooking the sea on the island's east coast. The demands of the several hundred U.S. citizens who have bought holiday or retirement homes there have ensured that construction and appointments are up to U.S. standards. Most of the rental villas are also within close reach of an 18-hole golf course, said to be one of the best in the Caribbean.

For those interested in acquiring a house on Montserrat, this might well be a good time to buy.

A number of local estate agents have properties on their books ranging in price from about $US35,000 to $85,000. These are the prices quoted to the casual inquirer. But the word locally is that some of these properties could probably be purchased for less, and even estate agents admit that prices have flattened out quite a bit.

If there is one potential drawback for the tourist visiting Montserrat, it is transportation. There are no passenger vessels serving the island regularly, though the possibility of starting a hydrofoil service between Montserrat and Antigua, 27 miles away, is receiving some consideration.

The island is served twice daily by a Leeward Island Air Transport flight, which links it to Antigua and St. Kitts. The LIAT service is one of the few subjects about which Montserratians are almost unanimous in complaining. They object to the fact that the morning flight from Antigua leaves at the impossibly early hour of 6.30 and that aircraft are sometimes delayed by as much as two hours, even though the flight time is only 15 minutes.

Montserrat is hopeful that it will soon be able to improve its air transport links by another route. The Government is at present discussing with Prinair, a Puerto Rico-based airline, the possibility of initiating a regular service to and from Guadeloupe, which has an international airport. If these talks are successful, and the necessary authority is granted by the British Government, these flights could begin as early as next spring.

With the devolution debate in full swing following the White Paper, a major issue in Scotland will be the inability of the proposed Assembly to tax offshore oil operations. But one part of Scotland does have what looks remarkably like a local oil tax. **Chris Baur** examines an authority which has done what many Scots would like to see happen throughout their country.

Shetland's winning ways with North Sea oil

Mr. Ian Clark, chief executive of the Shetlands Council and principal architect of its oil policy.

THERE cannot be many old age pensioners, it is safe to say, who will this Christmas receive a bonus of £18 each from their friendly local council. But all 3,752 of them in Shetland will. Nor can there be many local authorities which would (even if only as a negotiating gambit) considering running their own internal air services to replace those recently withdrawn by a private operator. But Shetland did.

These little extravagances are, admittedly, not necessarily typical examples of Shetland's use of the "new wealth" its 17,000 inhabitants have found by simple virtue of the islands' key position astride the delivery routes from many of the most prolific oilfields being developed to their north and east. But then, there is nothing very typical about the systematic way that Shetland has gone about carving itself a slice of the North Sea haunch.

Strength

Long before other Scottish local authorities on the mainland had appreciated the potential strength of their bargaining position in dealings with the oil industry, Shetland was dictating its "take it or leave it" terms. Indeed, long before the present Government's controversial North Sea participation policy was formulated, Shetland was making it plain that it wanted control of certain key island installations associated with oilfield production, and at least a half share in profits from some of the major attendant commercial ventures.

Shetland has thus gone much further than other local authorities, which have relied almost wholly on their conventional planning powers to mould private developers' initiatives to local requirements. The island Council has charged oil companies what amounts to an entry fee, liable eventually to be worth several million pounds; it has gone into partnership with oil companies to help create and manage what will be the country's largest oil port, costing an estimated £300m.; it has formed joint ventures to provide catering services for incoming construction workers, and tug services for tankers; it has formed its own finance company.

Initiatives such as these have attracted widespread attention. Intrigued delegations have travelled to Britain's most northerly isles from both Houses of the U.K. Parliament, from the U.S. Senate, and from public authorities in Alaska, Greenland and Iceland. The Alaskans, it is recalled with some pride in Lerwick, said they wished they had seen how Shetland was handling its oil developments before theirs began at Prudhoe Bay.

Three years ago, the Shetlanders (followed closely by the Orcadians) decided to erect a legislative dyke against indiscriminate oil development. With estimates that the islands' population might rise by some 20 per cent., or more, there were real fears that the native community would be swamped and its distinctive way of life ruined. Moreover, while the islands' crofting and fishing economy has always been precariously based, it was then riding a fishing boom. So there was additional anxiety about the lure of the oil industry's higher wages. With none of the mainland's unemployment, Shetland felt it could afford to call a tough tune.

Move quickly

The island Council promoted and piloted through Parliament its Zetland Act. This complex measure gave it the power, among other things, to move in quickly and acquire all the necessary land in the Sullom Voe deep water fjord which it had designated as its sole oil pipeline reception point. The measure also enabled it to enter into commercial partnerships; to set up a reserve fund in which oil-venture profits would be banked for the future welfare of the community; and to own and run Sullom Voe's basic marine facilities.

The first effect of the Act was to outflank land speculators who had refused to believe that Shetland would be granted such sweeping powers and who had already committed themselves to land purchase options on vast acreages, ostensibly to promote the port and back-up projects for the oil industry. Shetland was convinced that it needed control of the land if it was to have any hope of preventing unnecessarily disruptive and haphazard developments. It won its point.

With this secured, the islanders wrote extensive new ground-rules for oil company operations. The island Council set up the Sullom Voe Association, a non-profit making company in which the Council has a 50 per cent. interest (and the power of veto) with Shell and BP, the operators of the two existing pipelines to Shetland, holding 30 per cent. and 20 per cent. respectively. Other pipeline operators will be required to join. The Association is intended to commission the design and construction work on the Sullom Voe port and its storage and processing facilities, and it is responsible for releasing land there as it is needed.

The Association establishes the principle of the island terminals being shared by all-comers—indeed, while the initial berthage and tankage is planned to handle an output of some 60m. tons of crude a year from Shell-Esso's five-field Brent system and BP-Chevron's Ninian Field, the island Council's planning assumes as much as twice that output through four pipelines rather than the present two. (Production plans for a further four major fields still have to be finalised, and three additional finds have to be evaluated).

The island Council also acts as port authority, and will provide and own all marine installations at Sullom Voe (contracts worth about £30m. for the first three tanker jetties have just been let) while the oil companies will provide all the land-based items (tanks, power-generation, processing and separation units). Even here, though, the islanders' influence is being felt through their insistence that the oil companies must (contrary to their immediate commercial inclination) examine the possibility of putting the bulk of the oil storage into underground caverns.

Entry fee

More unusual still, are the commercial initiatives taken by the island Council. It concluded an early agreement with the oil companies to pay what is in effect an entry fee to the islands. No-one dares call this "disturbance allowance" a local oil tax, though it looks remarkably like one. It is related to oil throughput, and is indexed both to oil prices and to retail prices. The Council calculates that it is worth a rock-bottom minimum of more than £1m. a year (twice the Council's current rates-revenue) and may rise to about £4m. a year. Oil industry sources reckon that the total income could eventually rise to some £6m. a year (£1m. more than the Council's total revenue account) and are openly intrigued to know how the islanders will spend it.

According to Mr. Ian Clark, the islands' Chief Executive and former County Clerk, who is widely regarded as the principal architect of the Shetland policy, the money will be spent "on the protection of traditional Shetland industries during the lifetime of oil, and the promotion of new industries when oil begins to wane." He points out that many of Shetland's important industries are controlled from outside the islands. "When oil's activity diminishes, we are going to be seen as the island equivalent of the Scottish Daily Express. Someone in the south is going to say: 'It's not economic any more, we'd better close it.' We are now in a position to save to survive. The community needs these oil revenues to take over those concerns and keep them going."

The Council's existing involvement in oil-related undertakings illustrates that it will be perfectly capable of carrying through such a plan, extraordinary though it must seem for a small local authority. Its acute concern about the possible disruption of its small communities (Lerwick, the largest town, has 6,300 inhabitants) led the Council to take total control of the provision of accommodation for the incoming 1,200 construction workers at Sullom Voe. It raised £7m. and has produced a self-contained village at Firth which is said by its oil industry users to outclass most others built in remote locations elsewhere in the world.

Quarantined

The Council admits that it wanted a village which would be effectively quarantined from the rest of the community, yet of a high enough quality to make the quarantine acceptable to those using it. It is especially imaginative, providing individual study bedrooms for each man, plus a medical centre, hairdresser, shop, bank, post office and betting shop. Most of its central recreational facilities—gymnasium (for badminton, volley-ball, table tennis, judo, five-a-side football), two squash courts, 750-seat assembly hall-cinema, and an outside football pitch—have been built for permanent use by local people when the rest of the camp is dismantled

To run the village, the Council has gone into partnership with Bateman Catering, the Grand Metropolitan subsidiary. A jointly-owned company, Grandmet Shetland, has been formed, and this will split the profits 50-50, though part of these (from the bars) will be ploughed back to enable the men to organise top-line entertainers. Other, similar moves have been made. A joint venture has been formed with the Clyde-Cory Shipping Consortium to provide and operate the estimated £3m. worth of tugs and handling vessels needed at Sullom Voe. In addition the Council has formed Zetland Finance, a wholly owned but still dormant finance company giving it the ability, according to Mr. Clark, "to do anything from raising massive loans to running a fish and chip shop." The islanders have proceeded on the elegant principle that they should be rewarded "for the business opportunities we have created."

Their aggressive self-interest is, if anything, dramatised by the rather gentler handling of oil-related issues by the Orcadians. Orkney Council has not regarded it as any part of its business as a local authority to become directly engaged in commercial undertakings. Yet it has clearly not wished to be out-negotiated by Shetland.

It extracted a promise from its sole pipeline operator (Occidental, which is developing the Piper and Claymore Fields) that Orkney's "disturbance allowance" would be on no less attractive terms. The Council expects to receive an average of £400,000 a year. In addition, arrangements have been made for ownership of the terminal site on lonely Flotta Island, in Scapa Flow, to be transferred to the Council at no cost.

In retrospect, perhaps the most remarkable feature of the Shetlanders' policy is that they actually got away with it. The companies and associated commercial interests cannot have welcomed the increased complications in planning, or the restricted flexibility in operating their Shetland terminal which resulted from the islanders' determination to participate. They were frankly appalled, at one early stage, by the scale of the "entry price" which the islanders were demanding. To their credit, however, they have never openly opposed the policy. Now, indeed, for the same public relations reasons, the companies tend perhaps to exaggerate the worth of the deal which "tough little islanders have squeezed out of the oil industry."

Reluctantly

The Government, for its part, has been obliged reluctantly to concede what is tantamount to the principle of a local oil tax. It still has to take the ticklish decision about whether there should be a consequent reduction in the level of its own rate support grant, by which it bears something like 80 per cent. of Shetland's current revenue expenditure. An uneasy truce now covers this question since Shetland last objected to the notion.

Similarly, Shetland, which is faced with estimated expenditure of £30m. on housing, roads and schools, etc., over the next four years or so, is escaping the public expenditure cuts that are being urged on all local authorities by the Government. "We keep getting circulars from the Scottish Office instructing us to cut back," says Mr. Clark. "We keep writing back to see whether they really want the essential infrastructure provided on time for these oil developments. And I keep getting no reply." Shetland's ultimate sanction is that it will gladly co-operate in the nationally vital task of ensuring early delivery of East Shetland oil but only if the nation, in its turn, recognises that there must be some compensation for a community which is under especial strain because of these oil developments. So far the tactic seems to have worked.

APPOINTMENTS

Executive changes at the Post Office

Mr. Michael Morris, who was principal private secretary to three Postmasters General, has been appointed Director of POST OFFICE Telecommunications Management Services, responsible for management services and efficiency throughout the telecommunications business. Mr. Morris currently works in the telecommunications special studies division. He takes over from Mr. Jim Rees who retires at the end of the year.

Mr. A. J. Barker has been appointed director of the Post Office South Eastern Telecommunications Region, and Mr. C. L. Morrow becomes director of the Advisory Department in the solicitor's office. They take up their appointments in January. Mr. Barker succeeds Mr. J. O. Thompson on his retirement. Mr. Morrow succeeds Mr. Saul Rothstein, who becomes solicitor to the Post Office on the retirement of Mr. Philip Turner.

★

Rockwell International has appointed Mr. R. L. Higgin chairman at SUMLOCK ANITA and associated companies. His successor as managing director is Mr. B. W. Ofield, formerly director of marketing.

★

LONDON BRIDGE ENGINEERING has appointed two additional Board members, Mr. George F. Dutton, operations director, and Mr. Henry W. Prince, financial director.

★

Mr. Don Rogers has returned to the Southampton district of BARCLAYS BANK as a local director.

★

Mr. Alan Towers is to join the Group Board of JAMES WILKES from January 1.

★

Mr. K. S. Murdoch, manager at St. Andrew Square, Edinburgh of the BANK OF SCOTLAND has been appointed an assistant general manager from January 1. At the same time Mr. A. T. Gibson, assistant general manager (marketing), will become assistant general manager (international). Mr. James Russell has been made consultant on international business. Mr. W. N. Renfrew, joint general manager of the bank, and a member of the Aberdeen local Board, retires on December 31. Mr. J. F. Wilson, a divisional general manager, has been appointed a joint general manager from January 1. Mr. Robert Scott, an assistant general manager, will become a joint general manager from that date and Mr. Robert Smith, an assistant general manager, will be a divisional general manager of the bank (administration).

★

FEDERATED CHEMICAL HOLDINGS is to merge its two principal U.K. operating subsidiaries, R. W. Greeff and Co. and Kingsley and Keith Chemical Group from January 1 under the name of K. AND K.-GREEFF CHEMICAL GROUP. The Board of the new unit will be Mr. L. R. Dowsett (chairman), Mr. S. A. Crossick, Mr. P. E. Duckworth, Mr. F. Fantl, Mr. B. Jobling, Mr. C. C. Keith, Mr. R. A. Mackay, Mr. R. A. Targeter and Mr. D. W. J. Vines.

★

The control of SIMPSON-LAWRENCE operations are to be undertaken by two divisional Boards. They will be known as the services division and the marketing division. Members of the divisional Boards will be the existing group directors and, in addition, three new divisional directors have been appointed from within the company. They are Mr. I. R. Cleverley, Mr. A. S. Lawrence, and Mr. D. M. McDonald.

★

General Mining and Finance Corporation has exercised an option to acquire an additional 800,000 shares in Clydesdale and the Guardian Liberty Life group has purchased approximately 1.35m. shares which together with existing holdings gives the Guardian Liberty Life Group an interest of approximately 25 per cent. in the equity of Clydesdale. The Board of that company has been reconstituted as follows: Mr. D. Gordon (chairman), Mr. G. Clark, Mr. A. C. Coetzee, Mr. J. R. McAlpine, Mr. H. C. Payne and Mr. E. J. G. Roy.

★

British Leyland has announced the following new Board of PRESTCOLD HOLDINGS, a member of the Leyland Special Products Group: Mr. J. D. Abell (chairman), Mr. D. A. Field (managing), Mr. D. J. Brooks (deputy managing), Mr. A. G. Firth (finance), Mr. R. R. Morr[is] (sales), and Mr. A. Reeves (manufacturing).

★

Mr. Ronald Lovett, development manager with Hamworthy Engineering, part of the Powell Duffryn Group, has ben elected a member of the council of the BRITISH CAST IRON RESEARCH ASSOCIATION.

★

Mr. K. Bell has been appointed technical director of WRAGG PLASTICS, a subsidiary of McKechnie Brothers. Mr. Bell was previously with Dunlop and with Carr Fastener Company.

★

Sir Hector MacLennan has been appointed Lord High Commissioner to the General Assembly of the Church of Scotland for a second term.

★

Mr. Stuart Guthrie-Brown has been appointed secretary of FITCH LOVELL. Mr. Guthrie-Brown, a solicitor, was previously with Lovell White and King.

★

Mr. G. H. Link has been appointed chairman of the Board and managing director of OIL SERVICE COMPANY OF IRAN, succeeding Mr. R. Miller from January 1. Mr. Link is currently vice-president of Esso Standard Libya Inc.

★

Mr. Denis Cail has been appointed chairman of the optical division of PILKINGTON BROTHERS from January 1. He succeeds Dr. L. H. A. Pilkington who remains a member of the optical division Board. Mr Cail was appointed to the main Board of Pilkington in April.

★

Mr. N. R. Brazeley and Mr. S. A. E. Burdett have been appointed joint managing directors of G. P. TURNER from January 1. They succeed Mr. C. A. Preston who remains chairman. Mr. K. G. Cusden becomes an executive director from the same date.

★

Lord Nelson of Stafford is joint chairman of English Electric Babcock and Wilcox and Taylor Woodrow Atomic Power Construction Company. He is not joint chairman of Babcock and Wilcox as reported yesterday.

BOOKS

English as she is spoke

BY C. P. SNOW

e Excellency of the English Tongue by F. E. Halliday. Gollancz, £3.60. 128 pages

e Plight of English by Basil Cottle. David and Charles, £2.95. 159 pages

ords by Kingsley Amis and 13 others. British Broadcasting Corporation, £3.25. 128 pages

ford Dictionary of Current Idiomatic English, Vol. I by A. P. Cowie and R. Mackin. Oxford University Press, £5.00. 396 pages

The first three books above all press a decent pride in the glish language. That, at any e, we can most of us share. ere are good objective asons. First, there are more rds in the English language n in any other known to man. ssian is probably the nearest npetitor: as with English, re are lots of approximate onyms (not complete onyms, which would be use-s) for almost anything. But ssian doesn't have two primary rces of vocabulary as, from Teutonic basic structure and nch top dressing, has English. ond, and partly because of this linguistic good luck, one of the great literatures of the world has been written in English. Third, English is the most analytical of all the Indo-European languages, that is the grammar has been more radically broken down, so that it begins to look as though any part of speech can be employed for any other (this isn't an unqualified blessing).

So far, so good. Dr. Halliday rejoices in our verbal splendour. He uses as his title, with far more confidence, since English has now proved itself, a phrase which old William Harrison first wrote in 1587 and which was taken up by Camden. Dr. Halliday has much literary sensitivity, and, like the other writers in this list, is worried by the sloppiness into which contemporary usage is oozing—a danger, of course, in all languages, but, because of our almost total absence of rules, specially threatening with English.

Still, Dr. Halliday is happy with the native tongue he writes so well. Some of his prehistory needs revision or scrutiny, for there the researchers are moving very fast. When he is dealing with literature, he is on his home ground, and this is a benign and cheering book.

Dr. Cottle, though equally in love with the language, is much more concerned about it. Perhaps I should admit at once that his predilections, prejudices if you like, are very close to my own. In any case, I fancy that anyone who listens to other languages will find much justice in what he says—and it would do a lot of good if his book were read in schools. Yes, he says, English can be a beautiful language to read, and a fine one to write. But, unless it is spoken with unusual care, it isn't at all a beautiful language to hear. He has an admirable chapter on cacophony, which ought to be taken to heart by all English speakers.

Non-English polyglots, people equally comfortable in various languages, are usually too polite to tell us so, but they often find spoken English curiously ugly. As Dr. Cottle points out, there are far too many terminal s's and z's, so that there is a cumulative effect of hiss and buzz. There are too few long vowels, which makes us yap away in a kind of slurring staccato. The very heavy stresses on syllables become intolerable if, according to a modern fashion which should be stamped out, there is also a ridiculous stress on insignificant words. This is a particular fault of people reading from prepared texts.

All urban dialects, from London to Glasgow, are without exception cacophonous and mingy, and no follies about "elitism" or inverted class consciousness should be allowed to encourage them. The language can sound agreeable when uttered by the best television announcers and by some actors on the English stage—though it mustn't become too mellifluous, which is alien to its nature.

Dr. Cottle proceeds with vigour to point out some faults in the language itself. Yes, it is marvellously flexible and eloquent: but it also can be, and sometimes has to be, maddeningly imprecise. It is quite often a problem to say in a straightforward fashion what one means, and where accuracy is essential there is no recourse but an elaborate periphrasis. Our auxiliary verbs are in a mess, and Dr. Cottle's analysis here is a corrective which requires some rueful study. In conditional statements, we are prepared—and this baffles conscientious foreigners—to use a past tense for a future. We cannot do much about the failings of English grammar or lack of grammar. It is one of the consequences of having carried analytical breakdown so far. But a bit of vigilance would do us no harm.

Dr. Cottle, having dismissed attempts to reform our orthography, deals with our imprecision about words themselves. So do most of the contributors to the BBC series on "Words"—where, incidentally, the most striking pieces come from those who are not professional writers, Bruce Fraser (civil servant), Don Cupitt (theologian), John Vaizey (economist). They are all cross about the way we let shoddiness seep into the language without the most vestigial of protests. Paul Bailey—who is a writer and a good one—denounces the cant use of the good and valuable word "gay." People who should have more verbal taste have dropped into the cant use themselves. It is quite unacceptable. This usage doesn't mean, or even imply, what it is intended to. Homosexual is an explicit word, and adequate. The only retort, as Bailey states, is to go on using gay as it has been used for several hundred years.

All societies, and all languages, use words to obscure or soften the truth. We are as bad at this as anyone, and maybe we are getting worse. A peculiarly crass example is the present fashionable, and almost formal, phrase, "industrial action." This is pure Orwellian. The phrase is intended to mean its exact opposite, industrial inaction. And when one finds it uttered by doctors and teachers—what in the name of sanity can "industrial action" by teachers be supposed to suggest? Some of them presumably teach the English language. A country which deceives itself with words is going to deceive itself about greater things.

After those other works of misgiving, the *Oxford Dictionary of Current Idiomatic English* is strictly neutral. This is the first of two volumes, and deals with idiomatic phrases which consist of verbs with prepositions and particles, for example, "turn on" in all its various senses. One of Dr. Cottle's criticisms is that there are altogether too many particles in English, which have been added to by a great many more, through German influence, blowing across from America, "meet up with," "visit with," the whole inelegant crowd. It is not the business of the Oxford Dictionary to comment on these phenomena, only to record. They have drawn on contemporary novelists—most of them with accurate ears—for some of their sources. So far as a spot check can tell, Cowie and Mackin have done a most scholarly job. Conscientious non-English students will forage through the thousands of entries. They had better not use them in every one of their allocutions. We don't.

ction

Higher things

BY MARTIN SEYMOUR-SMITH

Giants by J.-M. G. le Clézio. Translated from the French by Simon Watson Taylor. Cape. 5.95, 315 pages

Vegas Strip by Morris Renek. ecker and Warburg. £3.90, 310 ages

Greek Treasure by Irving Stone. Cassell. £4.50, 479 pages

terns of Love by Oliver Other. nited Writers Publications, revail Mill, Zennor, St. Ives, ornwall. 3 volumes paper-ound. £2.00 each, 463 + 415 - 331 pages

he French *nouveau roman*, the sense of Robbe-Grillet's er but sterile polemic if not Claude Simon's imaginative ievement, exhausted itself ng the 1960s; but J.-M. G. Clézio, though associated 1 the movement, has rightly n decribed as a "post-New el" writer. Born in Nice of Mauritian family, and there- a holder of British ionality (he studied at both stol and London Universities) le Clézio has, at only 35, an impressive number of books behind him (his first and best, *The Interrogation*, was published when he was 23).

His untranslated critical essay *L'Extase matérielle* (1967) is not a wholly reliable guide to the better aspects of his work (though he deserves to be known for more than his often mentioned obsession with ash-trays). It does recommend us to act as ourselves, to understand ourselves and to enter freely and wholly into the world we experience (advice of which Robbe-Grillet would disapprove). On the other hand it is a humourless and scarcely readable work. This was not true of *The Interrogation* (1963), a study of a mad student which is not only psychologically convincing but which also builds up a truly terrifying picture of an oppressive world of things seen through a hallucinated consciousness.

Unfortunately le Clézio has not, since this novel, fulfilled his promise; critics have recognised his brilliance, but have called him "misdirected," and made such remarks as that he is better when being "young and terrestial" than when being "prophetic and ubiquitous." This is all too depressingly borne out by his latest novel, *The Giants* (published in France in 1973 as *Les Géants*), despite the excellent translation by Simon Watson Taylor. Le Clézio's intelligence and capacity to write beautifully and lucidly have seldom been more in evidence; nor has his tendency to bore us (and possibly himself) with his "philosophy" that the only true reader of a book can be its writer because . . . etc. etc. (students of Gallic criticism will know it all).

The subject of *The Giants* is what Wyndham Lewis called "hallucinated automata": the huge supermarket, Hyperbolis, stands starkly against the sky, and "cancer . . . has begun to seep into the public squares and wastelands." In this phantamagoric landscape "we" move mechanically, under attack, our only spiritual chance being to liberate ourselves before it is too late. This is familiar enough material—SF, existentialism, the phenomenological preoccupation with "things"—and it is introduced, interlarded, and ended, by pages of McLuhanesque collage.

It is dedicated to Ch'in Shih Huang Ti "with great respect and admiration"—has le Clézio forgotten that this Emperor not only built the Great Wall to keep out the barbarians but also destroyed the historical archives in order to keep himself in power? Probably not.

But, despite some passages of great power, and frequent displays of le Clézio's skill in conveying the menace of objects when they seem to represent states of mind, the book as a whole fails to cohere.

Morris Renek's *Las Vegas Strip* is not at this level of intelligence, and contains a great deal of stereotyped dialogue which may safely be skipped. But it is a fast moving, readable story about the violent conflict—its resolution is predictable—between a "Syndicate" and Yank Karkov, a man who is determined to build a casino in the Nevada desert. The best passages describe gambling, the worst sexual encounters.

Irving Stone's latest "biographical novel" (among his others are *Lust for Life*, on Van Gogh, *The Agony and the Ecstasy*, on Michelangelo), *The Greek Treasure*, deals with the discoverer of Homer's Troy, Henry (as Stone calls him) Schliemann, and his wife. It is "an unforgettable human story" which will lead some readers to the last page "reluctantly, yet fulfilled"—I cannot do better than this. Certainly Irving Stone's skill in producing this type of book is unsurpassed if his sales are to be used as a criterion; his mundaneness and vulgarity astonish and dismay me.

Patterns of Love is a genuine curiosity. The publishers state that it is "as contentious as the philosophies of Nietzsche and Marx," "*the longest British novel to be published to date*"; the "reactionary views encompass attitudes on sex, marriage, death, racialism" and you name it. "Perhaps, mused Sir John, the lack of remedial action by the more logical and honest amongst the British was due to a state of shock." But Charley says that "Communism *could* work for Britannia." The reader can follow the argument, which involves Britannia and "The Pattern" and love and God: through over half-a-million words very oddly put together, but "in places as simply beautiful as Haiku."

U.K. ECONOMIC INDICATORS

	Unit	1975 Nov.	Oct.	Sept.	1974 Nov.	Oct.
eral						
lled vac'n's¶	'000s	115.7	131.9	143.4	336.7	375.2
mployed¶ ...	'000s	1,168.9	1,165.3	1,249.1	621.6	612.6
rency reserve.	$bn.	5.608	5.710	5.859	7.824	7.547
		Oct.	Sept.	Aug.	Oct.	Sept.
fd. prods. d	1970=100	197.4	195.0	193.5	162.2	158.6
k advances b	£bn.	14.132	12.762	14.064	n.a.	n.a.
c mater'ls d	1970=100	252.3	243.0	241.4	220.1	212.8
ns of trade	1970=100	82.1	82.9	82.7	75.6	76.1
il prices ...	Jan.'74=100	142.5	140.5	139.3	113.2	110.0
e rates	July'72=100	185.9	184.8	184.3	148.3	146.3
		Sept.	Aug.	July	Sept.	Aug.
debt¶	£m.	2.257	2.247	2.249	2.294	2.303
sales val.**	1971=100	179.3	175.8	174.4	153.9	150.4
ist. output**	1970=100	99.8	99.0	100.1	107.6	109.4
		1975			1974	
le and istry		Oct.	Sept.	Jan.-Oct.	Oct.	Jan.-Oct.
orts f.o.b. ...	£bn.	1.946	1.788	1.793	1.841	1.709
orts f.o.b. ...	£bn.	1.740	1.583	1.543	1.347	1.271
ble trade ance	£bn.	−0.206	−0.205	−0.248	−0.495	−0.438
*	'000s	97	108	105	123	126
m. vehicles*	'000s	31.6	32.3	32.7	35.2	32.3
l (weekly rages)* ...	'000 tonnes	397.9	352.7	388.1	457.8	432.9
-made es*	m. kgs.	55.11	46.33	46.71	50.71	54.97
ses completed¶	'000s	28.3	27.0	25.2	25.0	22.0
ks*	millions	483	436	417	501	478
ent (weekly rage)*	'000 tonnes	353	327	330	351	348
		Sept.	Aug.	Jan.-Sept.	Sept.	Jan.-Sept.
ets‡‡	'000s	237	144	206	225	250
os, radio-ms‡‡‖	'000s	372	392	380	358	442
ery*	1970=100	104	81	89.7	102	101
oleum†	m. tonnes	5.96	5.01	6.53	6.74	7.34
		Aug.	July	Jan.-Aug.	Aug.	Jan.-Aug.
iiture†** ...	1970=100	148	152	153	133	136
cookers† f	'000s	59.9	79.0	74.0	54.1	66.9
g. mchns.†	'000s	51.2	86.7	83.1	45.7	72.4
n. (orders band)** ...	1970=100	110	112	117.4	136	138.9
		July	June	Jan.-July	July	Jan.-July
ine tools†...	£m.	22.0	21.3	21.0	22.6	16.79
cotton ekly av.) ...	'000 metric tonnes	2.03	2.00	2.05	1.86	2.23
wools§	m. kilos	9.0	10.2	9.3	9.2	10.4
		3rd qtr.	2nd qtr.	Year to date	3rd qtr.	Year
r trade nover	1972=100	151	145	144	126	119
umer nding	£bn. 1970 values	8.840	8.913	26.041	8.925	35.607
		2nd qtr.	1st qtr.	Year to date	2nd qtr.	Year
and civil ineering* c	£bn.	2.903	2.631	5.534	2.558	4.949

duction. † Deliveries. ‡ Net sales. § Consumption. ** Seasonally sted. †† All manufacturing industries. ‖ Excluding car radios. liveries, U.K. made and imported sets. b From May, 1975, rds new basis of calculation refers to advances to U.K. public private sector. Historical figures on new basis not available. ces. f Including cooker griller toasters. c Value of output. ited Kingdom not seasonally adjusted.

Two dissidents

BY DAVID LASCELLES

The Gulag Archipelago (2) by Alexander Solzhenitsyn. Collins/Harvill, £4.95. 712 pages

My Country and the World by Andrei Sakharov. Collins/Harvill, £2.25 (paperback). 109 pages

Exactly two years ago, Alexander Solzhenitsyn, then still in Moscow, was under daily attack from the Soviet press for writing the Gulag Archipelago, the book that eventually got him thrown out of the country.

Today, Andrei Sakharov, his successor as dissident leader, is getting the same treatment for his Nobel prize-winning stand against the Soviet system, a depressing reminder that Helsinki or no, very little seems to change on the Soviet dissident front. Or does it?

The publication this week of works by both these remarkable men underlines that within the dissident movement, at least, opinions vary.

Gulag (2) is the second part of Solzhenitsyn's exhaustive chronicle of the Stalin labour camp system which he wants to expose for the historical record before it gets forgotten or buried beneath Soviet propaganda.

Part one, which came out last year, covered arrest, trial and deportation. Now we have life in the camps, how they were organised and what kind of people became guards and why. Solzhenitsyn examines how people reacted to camp life, some became stool pigeons, others trusties, some even managed to escape to the West. And there are special chapters on Stalin's forced-labour projects like the White Sea Canal and the Siberian railway, built under appalling conditions with enormous loss of life.

Once again, Solzhenitsyn writes in gruelling detail. He even names individual camp guards, most of whom he says have been able to slip quietly away thanks to the authorities' refusal to acknowledge one of the most ignominious episodes in Russian history.

But for me at any rate, another 700 pages of Gulag proved a bit too much. If Solzhenitsyn was out to compile a major historical record, the work would have benefited from less sarcasm, and more narrative discipline. If on the other hand he sees it as literature, it could have been more digestible. The bitter irony of Gulag's message, though, is clear: things were actually better under the Tsars because Russia had not then been torn from its traditions.

Sakharov's book is the cooler work to be expected from a scientific mind, and it manages to put forward in only 160 pages a coherent and thoughtful view of the West's future relations with Russia. His greatest fear is that détente will revive illusions in the West, particularly among intellectuals, about Soviet totalitarianism which he believes still to be a major threat to peace and freedom. An East-West dialogue is desirable, he says, but only if the West is aware of the dangers.

At the same time, Sakharov calls for demilitarisation and the right to live where one chooses, two of the themes that have concerned him most as developer of the H-bomb and a dissident.

Noel Blakiston (left) and Cyril Connolly, from the book reviewed below

Early Cyrillic

BY DAVID PRYCE-JONES

A Romantic Friendship: The Letters of Cyril Connolly to Noel Blakiston by Cyril Connolly. Constable. £5.50, 355 pages

"To Young Jones from Old Connolly," runs the inscription on a book-collector's item which he once gave me. Old Connolly was what he appeared to be, worldly-wise, impatient with everything except the best, of which he needed his addict's fix. In some classical utopia of his own devising, he ruled as a most unconstitutional monarch. Such a man does not fit in. Besides, he was extremely funny. Being morbidly self-aware as well, and therefore enemy-prone, he minded the jealousies and resentments of those who came yapping at him. But they cared for reputations, and he cared for books, and that is why something stylish and impeccable about him survives. He holds his corner.

Young Connolly was rather different. Those who have absorbed his *Enemies of Promise* will recall how Eton had ostensibly swallowed his life in elegy. He had been a scholar there, and the tension was set in him between the sensualities of the moment, and the great poetic verities. How to reconcile the two? *Lacrimae rerum.* How very serious Young Connolly seems to have been, aged 19, writing to his Eton college contemporary, Noel Blakiston, letters about Greece and Rome and art, beauty, truth, the need for higher things and the abjuring of hedonism. Old Connolly would prove more indulgent.

Milton had been important to him. And Walter Pater. Sophocles, Catullus, the poets. The taste for what might be called marble literature provided a patina of donnishness, for he was always unnecessarily humble in the face of learning, himself a pedant who luckily escaped in time. But Eliot's poems, like "a crack of doom," shiver into these pages, and Proust and Virginia Woolf, and Logan Pearsall Smith, whose secretary he became—Cyril's company of patron saints whose hosannas were also his. This voyage of discovery launched on modern seas eventually landed him up as reviewer and critic. He felt that he should have found more, but these letters are landmarks before disappointment gnawed.

After Eton came Balliol, and the world of Maurice Bowra and "Sligger" Urquhart, the college dean, and other clever intense young men on reading parties. Pre-war highbrows were fashioned like this. I would say that although Cyril may have needed such diversions, he really preferred sites and ruins of antiquity, or the animal and vegetable kingdoms, and cold print. The most vivid letters are descriptions of the unexpected impact of something beautiful, usually around the Mediterranean, or in the West Indies where he briefly went. The most flaccid letters are mawkish self-pityings about how much he misses Noel Blakiston, or disparagements of his rather eccentric father. So he had an adolescence after all.

What many literary people appear to have held against Old Connolly was that they could tell him nothing about himself which he did not already know, and even dread. *A Romantic Friendship* has shown him taking his own measure, and that is properly generous.

Adam, that magazine or International Review edited by Miron Grindea (available from 28 Emperor's Gate, London, S.W.7, 75p 104 pages) which bobs up now and then like a life-belt, has produced a Connolly issue, with tributes from old friends including Lord Kinross and Lawrence Durrell and A. E. Ellis. Its long editorial reveals the ignoble way in which Cyril's talents were constantly belittled by those who should have known better. T. C. Worsley, in his heartfelt essay, records an epigram Cyril once improvised on the fly-leaf of his copy of Vergil

At Eton with Orwell, at
Oxford with Waugh.
He was nobody afterwards,
and nothing before.

What a typical secretion from his inner self, but just to be able to throw it off refutes the self-mockery in it.

Babylon and after

BY H. A. N. BROCKMAN

The Landscape of Man by Geoffrey and Susan Jellicoe. Thames and Hudson, £8.50. 280 pages, 700 illustrations.

The compass of this excellent book is quite staggering. It is nothing less than a history of man's handling of his natural surroundings from pre-history to to the present-day. In order to do this concisely and with conviction the authors have adopted a strict discipline in presentation. Twenty-six cultures are examined in each case starting with a summary of social and intellectual backgrounds, proceeding to their expression in terms of landscape.

The 700 illustrations have been selected with discrimination and are convincingly explained. The central civilisations are symbolised by Babylon, Constantinople, Granada and Kashmir, as contrasted with the Mongolian influences of ancient India, China, Japan and the gargantuan works of pre-Columbian America.

Western developments range from Egypt, Greece and Rome to the Middle Ages and the seventeenth century culmination of the true Renaissance. A substantial and final section deals with the evolution of modern landscape, taking us into the present decade, and the awakened conscience of responsible modern industry to the need to recognise and find a role for landscape in its major operations.

A Dictionary of Architecture by Nikolaus Pevsner, John Fleming and Hugh Honour. Penguin Books, £10. 550 pages

A much needed volume, compiled by three persons of distinction; the book is very well illustrated. The initial letters of each alphabetical section are taken from the intriguing alphabet designed by J. D. Steingruber of Schwabach in 1773, each letter being based on the floor-plan of a building.

Swanning across

BY TREVOR BAILEY

Swanton in Australia by E. W. Swanton. Collins, £4.95. 252 pages

Here is a detailed and absorbing account of the eight MCC Tours to Australia from 1946 to 1975. E. W. "Jim" Swanton is especially well qualified to undertake this task, as he personally covered all these trips in his capacity as cricket correspondent for the Daily Telegraph. He speaks with the authority of one who actually witnessed the battles and the result is both very well written and most readable.

What makes the book especially interesting is that the author does not restrict himself to accounts of the Tests, though these are there in detail, but he introduces the reader to Australia. He does this great land full justice in some very perceptive pieces about places and people.

On the cricket side he discusses many aspects, including the futility of entering a Test without a spinner, as occurred at Brisbane under Sir Len Hutton, and the obvious disadvantages of visiting New Zealand after Australia. He does not evade the more controversial issues that have enlivened, and sometimes soured the last three decades of cricket between the two countries, but he treats them gently, almost apologetically. The marked deterioration of manners on the field in recent years obviously and rightly saddens him, while he diplomatically avoids delving too deeply into some of the more stupid managerial appointments.

Although the omission of Bill Edrich from the 1950-51 tour is mentioned with regret, no explanation of a decision which could well have cost the Ashes is attempted.

All the main players from both sides, as well as many of the leading administrators are to be found in what must be an ideal Christmas present for anybody who loves cricket, especially that uncle who has yet to make a will. It might do the trick.

Never having been a participant, but always observer of these fiercely contested, sometimes bitter engagements is an advantage in that Mr. Swanton's views are invariably dispassionate, and unbiased, but it also sometimes means that he has some difficulty in understanding the attitude of the players in certain circumstances, especially if they happen to act in a way that is at variance with his own ethical standards.

I was intrigued by his account of the John Snow bouncer in the Sydney Test, which eventually resulted in that walk off. He writes, "Now Snow had gone against convention by letting fly at a tail-ender," which prompts one to ask whose convention? But the fact that some readers may not be in agreement with some of his findings should in no way impair their enjoyment of an outstanding piece of cricket literature, rather the reverse.

Further 17 fall on economic fears

BY OUR WALL STREET CORRESPONDENT

NEW YORK, Dec. 3.

PRICES PLUNGED in fairly heavy trading on Wall Street to-day, reflecting adverse technical and seasonal factors—including early tax selling—plus investors worry that the economic recovery is not proceeding quickly enough.

The Dow Jones Industrial Average dropped 17.71 to 825.49, making a fall of 35.18 over the past three sessions. The NYSE All Common Index came back 75 cents to $46.25, while declines led gains by a more than eight-to-one majority. Trading volume sharply expanded by 3.39m. shares to 21.32m.

Analysts said fears for the economic recovery were increased by First National City Bank of New York's statement that rising unemployment, falling retail sales and slowing production confirm that the economy has slowed from its summer recovery.

In other economic news, October Factory Orders gained by 1 per cent. but inventories fell again.

Another negative Stock Market factor was the close vote—213 to 203—by which the House passed President Ford's proposal of $2.3bn. in Federal loans to New York City. The measure faces a filibuster in the Senate.

Also, provisions of a State-passed rescue plan were being challenged in the Courts.

Copper Range, however, rose $1¾ to $21¾—it is considering an alternative merger plan, due to Government opposition to its proposed merger into Amax.

Kirby Industries also moved up $2 to $40¼—it completed the sale of its Kirby Petroleum unit to Devon Corporation for $54m.

Longs Drug Stores dipped $1½ to $65¼, despite third quarter earnings of 61 (50) cents per share.

Northern Natural Gas were off $1⅛ to $31¼ on plans to offer $125m. in Debentures.

Gold Mining issues were firm. ASA were up $1¼ to $30¾, Campbell Redlake $1 to $13¾, Homestake Mining $1¼ to $35¼ and Dome Mines $1¼ to $33.

The SE Market Value Index declined 1.35 to 82.72, while losses led advances by 343 to 115.

Onan gained $2¼ to $31¾—the company's parent, Studebaker-Worthington, agreed to sell a one-third interest in Onan to Hawker-Siddeley, which would tender for other shares at $32.50 each.

and Papers 0.45 to 95.85.

Interpool fell $1⅛ to $10¼, Hiram Walker $1¼ to $28¼, Texasgulf $1 to $29 and Dome Petroleum $1 to $15¼.

PARIS—French shares generally lower in fairly active trading, following some profit-taking.

Holdings, Motors, Engineerings, Stores and Metals were mixed, while the majority of Oils advanced. Other sectors lost ground.

Foreign issues fell back, although Golds finished narrowly mixed while Coppers eased only slightly.

BRUSSELS—Mostly lower in very slow trading.

Metals were mixed. In mostly higher Steels, Hainaut-Sambre gained Frs.50 to Frs.2,450. Electrical and Utility stocks weakened. Interbrabant dropped Frs.40 to Frs.1,840.

Among predominantly lower Holdings, Mosane fell Frs.22 to Frs.620. Chemicals were mixed to lower and Oils were lower.

U.S. shares declined across the board, French and Dutch issues lost ground, Germans eased, while South African Gold Mines finished steady.

AMSTERDAM—Broadly lower in slow trading.

Banks and Insurances lost ground, Transportations were mixed. Holland America Line Holding were up Fls.0.40, KLM down Fls.1.80, KNSM Group off Fls.1.50, Van Ommeren up Fls.1 and Shipping Union off Fls.0.5.

Dutch Industrials declined. Heineken Beer gained Fls.10 to Fls.174, however, on its 1974-75 results plus a 30 per cent. stock bonus. Van Gelder Paper Mills dropped Fls.3.70.

IHC Holland closed unquoted on Press reports it is renegotiating financing of a Norwegian order.

State Loans were virtually unchanged.

SWITZERLAND—Markets continued easier in a moderate turnover.

Banks, Insurances and Financials drifted lower, with few resistant spots.

State Bonds were quietly steady.

Actively traded Dollar stocks closed weaker, Dutch Internationals were barely steady, while Germans eased.

MILAN—Lower in moderately active trading, reflecting fears that industrial unrest might widen, and to general uncertainty about the near-term economic picture.

GERMANY — Markets moved lower despite some isolated points of resistance. Most sectors lost between DM1 and DM3 on average, following profit-taking.

Banks, Chemicals, Stores and Electricals lost up to DM3.50. Daimler, down DM5 at DM545, led Motors lower. Metals and Engineerings were DM1 or DM2 off.

Bonds were quietly firm. Foreign Mark Loans were maintained.

OSLO—Banks were weak, Insurances quiet, Industrials mixed, while Shippings were barely steady.

VIENNA—Generally well maintained.

COPENHAGEN—Mixed in very active trading. Shippings and Banks lower, Communications and Commodities higher, while Industrials were mixed.

AUSTRALIA—Irregular in quiet trading.

Peko-Wallsend put on 5 cents to $A4.65, while Utah gained 10 cents to $A9.90.

Gollin rose 5 cents to 19 cents in a turnover of 220,000 shares. EZ Industries also picked up 5 cents at $A3.20.

Lend Lease were lifted 8 cents to $A2.75.

Burns Philp shed 3 cents to $A2.25—it has sold some more stores to Waltons and Campbell's.

HONG KONG—Mixed in increased trading.

Hong Kong and Kowloon Wharf were up 10 cents to $HK11.90. But Wheelock "A" were down 2½ cents to $HK3.225 and Hong Kong Electric 2½ cents to $HK3.425.

TOKYO—Market advanced following the Public Workers Unions' announcement to halt the eight-day-old National Railways strike. Volume 230m. (160m.) shares.

Electricals and Motors led the upward movement.

Export-Oriented shares responded to the recent rise in the U.S. dollar on Tokyo, and also brisk colour TV set production in October.

Constructions also rose slightly.

JOHANNESBURG—Gold shares were harder in a small turnover, despite the lower gold fix. Financial Minings were about steady.

Platinums also were generally steady, as were Coppers.

Colliery shares were mixed, while Industrials were fairly steady.

OTHER MARKETS

Canada again declines

Canadian stock markets continued to head lower in moderate trading yesterday. Only Golds, up 6.08 at 243.33 on Index, mixed against the general trend.

Industrials lost 2.10 to 173.34, Base Metals 0.84 to 71.82. Western Oils 4.04 to 199.71. Utilities 1.13 to 125.64. Banks 4.26 to 254.12

Indices

NEW YORK

DOW JONES AVERAGES

Close	Home Bonds	Transport	Industrials	Util.	Trading volume† 000's
Dec. 3	62.32	165.23	825.49	81.06	21,320
2	62.56	167.66	843.20	82.63	17,950
1	62.51	169.49	858.34	82.89	16,050
Nov. 28	62.64	169.29	860.67	83.27	12,870
26	62.65	163.00	858.56	83.17	15,780
25	62.70	163.84	856.40	83.06	17,490
24	62.67	169.63	846.64	82.89	13,950
21	62.79	170.60	840.76	82.66	14,110
20	62.98	171.15	843.51	82.68	16,4?0
19	62.70	172.05	846.24	82.69	16,330
18	62.73	174.45	855.14	83.37	20,7?0
17	62.83	174.57	856.66	83.28	17,660
14	62.75	175.45	853.67	83.56	16,460
13	62.75	175.26	851.23	83.40	25,070
12	62.55	173.22	852.25	83.06	23,960
11	62.51	170.65	835.56	82.51	14,640
10	62.60	169.62	836.48	82.67	14,910
1975 High	69.92 (4/4)	174.48 (15/11)	881.81 (15/7)	87.07 (24/6)	—
Low	66.16 (3/1)	146.47 (2/1)	632.04 (2/1)	72.02 (2/1)	—
All-time High	—	279.88 (7/2/69)	1051.70 (11/1/73)	163.32 (20/4/69)	—
Low	—	13.23 (8/7/32)	41.22 (8/7/32)	10.50 (28/4/42)	—

† Excluding bonds

IND. DIVIDEND YIELD p.c.

Nov. 21	Nov. 17	Nov. 22 1974
4.49	4.43	6.16

N.Y. SE ALL COMMON INDEX

December 31, 1965=50

1975 High	1975 Low	Dec. 3	Dec. 2	Dec. 1	Nov28	Nov26
51.24 (15/7)	37.06 (2/1)	46.25	47.22	47.98	48.24	48.33

RISES AND FALLS

Issues traded	Up	Down	Unchanged
867	169	1,417	281

	Dec. 3	Dec. 2	Dec. 1	Nov28	Nov26
New Highs	1	16	26	42	52
" Lows	41	27	25	11	12

AMERICAN SE MARKET VALUE INDEX

Starting base 100 Aug. 31, 1973.

1975 High	1975 Low	Dec. 3	Dec. 2	Dec. 1	Nov28	Nov26
96.80 (15/7)	62.20 (2/1)	82.72	84.08	85.35	85.82	85.44
Volume (000's)		1,820	1,720	1,700	1,276	1,610

STANDARD AND POORS U.S. STOCK INDICES

	*Industrials	†Composite
Dec. 3	98.04	87.60
2	99.88	89.33
1	101.55	90.67
Nov. 28	102.19	91.24
26	101.95	90.94
25	101.57	90.71
24	100.40	89.70
21	100.22	89.53
20	100.36	89.64
19	100.73	89.98
1975 High	107.40 (15/7)	95.91 (15/7)
1975 Low	77.71 (8/1)	70.04 (8/1)

* 425 Industrials. † 425 Industrials, 50 Utilities, 25 Rails.

STOCK AND BOND YIELDS

	1975 Nov. 26	1975 Nov. 20	1974 Nov. 29
Ind. Ord. yield p.c.	3.69	3.73	4.84
Ind. Ord. p/e ratio	11.97	11.84	7.71
Long-term Gov. Bds. per cent.	8.10	8.14	8.48

WEDNESDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Polaroid	397,100	32¾	−1¼
Sony	301,000	10¼	−⅜
Southern Co.	210,500	13⅛	−⅜
General Motors	179,700	53⅞	−1⅛
Xerox	166,800	47⅞	−¾
Nat. Semiconductor	150,200	33⅛	−⅝
Eastman Kodak	145,000	104	−1½
CITI	144,400	28	−¾
Amer. Tel. Tel.	144,000	49	−⅞
20th Century-Fox	140,800	10⅛	−⅛

TORONTO

INDUSTRIAL INDEX

Dec. 3	Dec. 2	1975 High	1975 Low
173.34	175.44	196.30 (15/7)	150.41 (2/1)

MONTREAL

INDUSTRIAL INDEX

Dec. 3	Dec. 2	1975 High	1975 Low
179.14	180.63	203.61 (15/7)	158.98 (2/1)

COMBINED INDEX

Dec. 3	Dec. 2	1975 High	1975 Low
175.34	177.93	198.08 (15/7)	155.85 (2/1)

JOHANNESBURG

	Dec. 3	Dec. 2	1975 High	1975 Low
Industrials	200.5	203.0	228.9 (16/7)	183.2 (23/1)
Gold	213.2	211.1	379.1 (2/1)	203.9 (10/9)

(1958=100.) Source: Rand Daily Mail.

MELBOURNE YIELDS

Av'ge yield on 50 Leading Stocks	Nov. 27	Nov. 21	Nov. 17
On Dividends	6.34	6.49	6.45
On Earnings	10.54	10.85	11.43

SYDNEY ALL ORD. INDEX

Dec. 3	Dec. 2	High 1975	Low 1975
439.09	437.92	439.09 (3/12)	295.38 (6/1)

TOKYO NEW SE INDEX

Base=100 January 4, 1968.

Dec. 3	Dec. 2	High 1975	Low 1975
317.79	316.24	336.11 (2/7)	263.24 (6/1)

HONG KONG INDEX ♦

Dec. 3	Dec. 2	High 1975	Low 1975
318.54	316.67	341.57 (9/6)	160.42 (9/1)

SINGAPORE INDEX §

Dec. 3	Dec. 2	High 1975	Low 1975
227.55	228.35	268.60 (11/3)	135.26 (8/1)

EUROPE

	Dec. 3	Previous	1975 High	1975 Low
Belg'm (a)	104.56	104.86	111.81 (16/5)	80.07 (2/1)
Denm'k (b)	100.11	100.86	100.36 (2/12)	[illegible]
France (d)	69.3	69.6	72.6 (25/4)	[illegible]
Germ'y (e)	757.4	764.2	771.6 (1/12)	575.2 (2/1)
Holland (f)	96.6	96.5	107.5	83.2 (2/1)
Italy (g)	85.19	87.66	[illegible]	[illegible]
Spain (h)	104.19	105.70	110.95 (22/4)	91.60
Sweden (k)	390.58	392.30	[illegible]	316.56
Switz'rl'd (m)	262.1	275.6	295.1	[illegible]

Indices and base dates (all base values 100):— (a) Belgian S.E. 31/12/63. (b) Copenhagen S.E. 1/1/73. (d) Paris Bourse 1961. (e) Commerzbank December 1953 (f) Amsterdam Industrial 1970. (g) Milan 2/1/73. (h) Madrid S.E. 31/12/74. (k) Stockholm Industrial 1/1/58. (m) Swiss Bank Corp. 31/12/58. (n) Unavailable. ♦ Hang Seng Bank 31/7/64 § Straits Times 1966 (c) Closed. † Adjusted.

Pound firmer

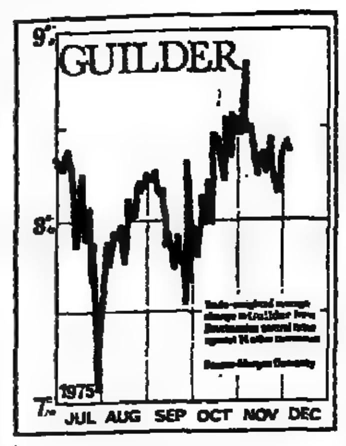
Sterling was firmer against the U.S. dollar yesterday and also gained ground against major currencies in general. The pound's trade-weighted average depreciation since the Washington Currency Agreement of 1971, as calculated by the Bank of England, narrowed to 30.1 per cent. from 30.2 per cent., after standing at 30.3 per cent. at noon and in early dealings, equal to its all-time worst level.

Sterling closed at $2.0245-2.0255 in terms of the dollar, an improvement of 45 points on the day. The pound opened at $2.0180-2.0190, its lowest level of the day, and traded at around 2.0220-2.0230 for the most part, before gaining ground towards the close, following a good commercial demand for sterling.

The dollar showed little overall change again yesterday after recording gains against most other currencies during the morning. Apprehension about the financial aid plans for New York, which may run into legal problems in the U.S. tended to depress the U.S. unit, and its trade-weighted depreciation since the Washington Agreement, as calculated by Morgan Guaranty of New York on noon rates, was unchanged at 1.98 per cent.

The Japanese yen remained under pressure, closing at the Bank of Japan's official support level of Y305 to the dollar. The Japanese authorities were reported to have sold about $200m. in support of the yen against speculation that the unit may be allowed to float down to Y308 to the dollar.

Gold closed unchanged at $138¾-139¼ in quiet trading. The krugerrand finished at $142¼-144¼ (£70¼-71¼) in the domestic market, and its premium over the gold content was unchanged at 2.87 per cent. In international dealings the premium narrowed to 2.69 per cent., from 3.05 per cent.



SPECIAL DRAWING RIGHT RATES

One SDR is equal to	Dec. 3	Dec. 2
Sterling	0.580517	0.580949
U.S. dollar	1.17505	1.17255
Belgian franc	46.1478	46.2094
Deutsche mark	3.06401	3.06828
French franc	5.21010	5.21276
Italian lira	799.981	800.779
Japanese yen	357.780	357.153
Dutch guilder	3.13850	3.14475
Swedish krona	5.16518	5.16524

Values are for currencies against the SDR as calculated by the International Monetary Fund in Washington.

EXCHANGE CROSS-RATES

Dec. 3	Frankfurt	New York	Paris	Brussels	London	A'sterdam	Zurich
Frankf'rt	—	2.6115 35	58.76 66	6.93-64	5.250 255	97.60 70	98 45 55
N. York	38.21-23	—	22.48-60	2.537-542	2.0245-255	37.30-32	37.69-72
Paris	169 905-305	4.4365-465	—	11.280 305	8.968-9925	5.878-2751	7.226-635
Brussels	15.04-07	39.30 33	8 24-26	—	79.41 64	14.48-71	14.60-64
London	5.29¼-30¼	2.0245 55	9.004-01¾	79.7¼ 95	—	5.42-43	5.36¼ 37¼
Am'erdam	102.455-485	2.6742 6767	60.215 265	6.803-66	3.4075 4125	—	100.735-785
Zurich	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	—

U.S. $ in Toronto U.S. $=101.10-12. Canadian cents

Canadian $ in New York $ C=98.82-84 U.S. cents. U.S. $ in Milan 682.00

Sterling in Milan 1379.00.

EURO-CURRENCY INTEREST RATES*

Dec. 3 1975	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	W. German mark	Swiss franc
Short term	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
7 days notice	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Month	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Three months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Six months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
One year	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Euro-French deposit rate short-term [illegible] per cent.; seven days' notice [illegible] per cent.; one month 7-7½ per cent.; three months [illegible] per cent.; six months [illegible] per cent.; one year [illegible] per cent.

Long-term Eurodollar deposit: two years [illegible] per cent.; three years [illegible] per cent.; four years [illegible] per cent.; five years [illegible] per cent.

The following nominal rates were quoted for London dollar certificates of deposit: one month [illegible] per cent.; three months [illegible] per cent.; six months [illegible] per cent.; one year [illegible] per cent.

* Rates are nominal closing rates.

† Short-term rates are call for sterling, U.S. dollars and Canadian dollars, and two days' notice for guilders and Swiss francs.

GOLD MARKET

	Dec. 3	Dec. 2
Gold Bullion (a fine ounce) Close	$138¾-139¼	[illegible]
Opening	[illegible]	[illegible]
Morning fixing	[illegible]	[illegible]
Afternoon fixing	[illegible]	[illegible]
Gold Coins, domestically Krugerrand	$142¼-144¼ (£70¼-71¼)	[illegible]
New Sovereigns	[illegible]	[illegible]
Old Sovereigns	[illegible]	[illegible]
Gold Coins, internationally Krugerrand	[illegible]	[illegible]
New Sovereigns	[illegible]	[illegible]
Old Sovereigns	[illegible]	[illegible]
$20 Eagles	[illegible]	[illegible]
$10 Eagles	[illegible]	[illegible]
$5 Eagles	[illegible]	[illegible]

FOREIGN EXCHANGES

Dec. 3 1975	Bank rate %	Day's spread	Close
New York	[illegible]	[illegible]	[illegible]
Montreal	[illegible]	[illegible]	[illegible]
Amst'dam	[illegible]	[illegible]	[illegible]
Brussels	[illegible]	[illegible]	[illegible]
Copenh'gen	[illegible]	[illegible]	[illegible]
Frankfurt	[illegible]	[illegible]	[illegible]
Lisbon	[illegible]	[illegible]	[illegible]
Madrid	[illegible]	[illegible]	[illegible]
Milan	[illegible]	[illegible]	[illegible]
Oslo	[illegible]	[illegible]	[illegible]
Paris	[illegible]	[illegible]	[illegible]
Stockholm	[illegible]	[illegible]	[illegible]
Tokyo	[illegible]	[illegible]	[illegible]
Vienna	[illegible]	[illegible]	[illegible]
Zurich	[illegible]	[illegible]	[illegible]

† Basic discount. Rates given for convertible francs. [illegible]

OTHER MARKETS

Argentina	[illegible]	[illegible]
Australia	[illegible]	[illegible]
Brazil	[illegible]	[illegible]
Finland	[illegible]	[illegible]
Greece	[illegible]	[illegible]
H'ngKong	[illegible]	[illegible]
Iran	[illegible]	[illegible]
Kuwait	[illegible]	[illegible]
Luxemb'g	[illegible]	[illegible]
Malaysia	[illegible]	[illegible]
N.Zealand	[illegible]	[illegible]
Saudi Ar.	[illegible]	[illegible]
Singapore	[illegible]	[illegible]
S. Africa	[illegible]	[illegible]
U.S.	[illegible]	[illegible]
Canada	[illegible]	[illegible]

† Based on rates quoted by [illegible] dealers. Other rates are [illegible]

FORWARD RATES

	One month	Three months
New York	[illegible]	[illegible]
Montreal	[illegible]	[illegible]
Amst'dam	[illegible]	[illegible]
Brussels	[illegible]	[illegible]
Copenh'gen	[illegible]	[illegible]
Frankfurt	[illegible]	[illegible]
Lisbon	[illegible]	[illegible]
Madrid	[illegible]	[illegible]
Milan	[illegible]	[illegible]
Oslo	[illegible]	[illegible]
Paris	[illegible]	[illegible]
Stockholm	[illegible]	[illegible]
Vienna	[illegible]	[illegible]
Zurich	[illegible]	[illegible]

Six-month forward U.S. dollar [illegible] pm. and 12-month [illegible] pm.

OVERSEAS SHARE INFORMATION

Investment premium based on $2.60 per £1—113¼% (113%).

NEW YORK

Stock	Dec. 3	Dec. 2
Addressograph	7¾	8
Aetna Life & Cas.	25⅞	24⅛
[illegible]	[illegible]	[illegible]
Corning Glass	41⅛	43¼
CPC Int'nation'l	42⅞	43¾
Crane	43	44
Crocker Nat.C.P.	21¼	22⅛
[illegible]	[illegible]	[illegible]
Johns Manville	20⅞	21⅜
Johnson Johnson	88⅛	90¼
Johnson Control	12¾	[illegible]
Joy Manufactur'g	30⅜	[illegible]
[illegible]	[illegible]	[illegible]
RCA	18⅞	19⅛
Reading	1⅝	1⅝
[illegible]	[illegible]	[illegible]
Zenith Radio	23⅞	23⅞
Chile 5¾ 1993	169	60
[illegible]	[illegible]	[illegible]

CANADA

Stock	Dec. 3	Dec. 2
[illegible]	[illegible]	[illegible]

GERMANY ♦

Dec. 3	Price Dm.	+ or −	Div. %	Yld. %
A.E.G.	91.8		—	—
Allianz Versich.	473		17	1.8
B.M.W.	254.5	−1.5	14	2.7
BASF	151	−1.5	17	—
Bayer	137	−1	17	6.2
Bayer Hypo.	332		18	2.7
Bayer Vereinsbk.	348.5	−3	18	2.4
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

MILAN

Dec. 3	Price Lire	+ or −	Div. Lire	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

PARIS

Dec. 3	Price Frs.	+ or −	Div. Frs.	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

AMSTERDAM

Dec. 3	Price Fls.	+ or −	Div. %	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

BRUSSELS/LUXEMBOURG

Dec. 3	Price Frs.	+ or −	Div. Net	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

STOCKHOLM

Dec. 3	Price Kronor	+ or −	Div. Kr.	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

COPENHAGEN

Dec. 3	Price Kroner	+ or −	Div. %	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

VIENNA

Dec. 3	Price %	+ or −	Div. %	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

AUSTRALIA

Dec. 3	Aust. $	+ or −
[illegible]	[illegible]	[illegible]

TOKYO ¶

Dec. 3	Prices Yen	+ or −	Div. %	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Source Nikko Securities Tokyo.

SWITZERLAND ●

Dec. 3	Price Frs.	+ or −	Div. %	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

OSLO ●

Dec. 3	Price Kroner	+ or −	Div. %	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

JOHANNESBURG

MINES

Dec. 3	Rand	+ or −
[illegible]	[illegible]	[illegible]

INDUSTRIALS

Dec. 3	Rand	+ or −
[illegible]	[illegible]	[illegible]

SPAIN ♥

Dec. 3	Per cent.	+ or −
[illegible]	[illegible]	[illegible]

NOTES: Overseas prices [illegible] premium. Belgian dividends [illegible] after withholding tax. [illegible]

FARMING AND RAW MATERIALS

[I]ndia seeks [t]ea exports [r]estraint

[B]y K. K. Sharma

NEW DELHI, Dec. 3.

[TH]E INDIAN Commerce Minis[try] has asked the tea industry [and] trade to exercise "volun[tary] restraint" on the volume of despatches for London auc[tio]ns. If this is not done the [ind]ustry feels that London ware[hou]se stocks will rise abruptly [lea]ding to falling auction prices. [T]he Ministry's suggestion has [bee]n made after a study of the [vol]ume of stocks in London and [the] prices realised in auctions [bet]ween March and May.

[T]ea industry circles say that in [com]parison with the same months [of l]ast year London stocks, which [wer]e higher by about 22 per cent. [in] January, increased by 35 per [cen]t. in February and further to [...] per cent. in March. The in[cre]ase dropped to 30 per cent. [in] April, 29 per cent. in May and [...] per cent. in June. Only in [Jul]y did stocks match those of [the] same month last year.

[P]rices in London auctions made [sign]ificant gains in January and [Feb]ruary but fell sharply after [...] for three months and it was [onl]y in June that the falling [tren]d was reversed. Since then [pric]es have been maintained at [leve]ls reached in the correspond[ing] months of last year.

[D]espatches of tea from all [sour]ces for London auctions have [in] the past few years averaged [...] 100m. kilogrammes per year. [Ship]ments from India account for [...] per cent. of the total.

[P]eru's fishmeal [e]xport hopes [d]ecline

WASHINGTON, Dec. 3.

[PE]RUVIAN EXPORTS of fish[mea]l and fishoil are expected to [dec]line below current estimates [unle]ss there is a sharp improve[men]t in anchovy fishing this [mon]th, the U.S. Agriculture [Dep]artment (USDA) says.

[I]n its weekly report on world [com]modity highlights the USDA [said] the January 1-November 18, [...] catch was 3m. tonnes, [equ]ivalent to about 670,000 [tonne]s of fishmeal and 209,000 [ton]nes of oil.

[It] estimates total 1975 produc[tion] at not over 900,000 tonnes [of] meal and 250,000 tonnes of [oil].

[E]xports to the end of October [tota]lled about 709,000 tonnes of [mea]l and 133,000 tonnes of oil. [Exp]orts for the whole of 1975 [are] estimated at about 800,000 [ton]nes of meal and 150,000 [ton]nes of oil.

Fewer and dearer turkeys for this Christmas

BY RICHARD MOONEY

TURKEYS will be dearer and less plentiful this Christmas compared to last year the British Turkey Federation warned yesterday. The main cutback is in the oven-ready sector which suffered severely from last year's poor trading conditions when prices were unchanged on the previous year despite escalating feed costs. The decline in availability of oven-ready birds will, however, *be made up to a great extent by* a corresponding increase in production of the traditional New York dressed turkeys, according to Mr. R. W. Twiddle, the Federation's chairman.

"Turkeys are more expensive this year, but the increase is modest when you consider that this is the first Christmas for two years that the housewife will have to pay more for her turkey," Mr. Twiddle added. "Obviously our industry could not continue to sell turkeys at the prices we were receiving two years ago, for the result of this would have been no turkey industry in this country in the future, and very few turkeys for British families this Christmas."

He also warned that larger birds could be more difficult to come by because producers have aimed to produce at the optimum weight for efficient feed conversion. He urged housewives and caterers to order early to be sure of getting the weight of bird they require.

Wholesale prices for fresh turkeys are likely to be between 35p and 42p a pound while oven ready birds should wholesale at around 38p, said Mr. C. E. Nokes, chairman of the National Federation of Wholesale Poultry Merchants. He said chicken *prices should be similar to last* year while capons and ducklings will be slightly more expensive —but with supplies well down on last year geese and pheasants may be considerably dearer.

● The winner of the annual heaviest turkey competition was Mr. Chukie (pictured above), entered by Dale Turkeys. It tipped the scales at a dressed weight of 71 lbs 12 oz—a new world record. The bird was later auctioned by Arthur Lowe, star of BBC's "Dad's Army," fetching £500 for SPARKS, a crippled children's charity.

World coffee pact approved

A NEW INTERNATIONAL agreement designed to stabilise world trade in coffee until 1982 was approved in London yesterday morning by the International Coffee Council. The agreement, reached among the 62 member nations of the International Coffee Organisation (ICO), will operate for six years from October 1, 1976, subject to necessary ratification by member Governments.

Senor Fausto Cantu Pena, chairman of the Council, said it was a good agreement with a sense of balance that answers both producers' and consumers' demands, and this view was echoed in the lobbies by most delegates as the month-long negotiations ended.

Senhor Alexandre Fontana Beltrao, executive director of the ICO, said he was pleased that the agreement looked at the problem of incentives to producers to supply an adequate quantity of coffee and in the same way considers the problem of consumption. To this end producers will, during the first two years of the new agreement, provide $25m. to promote coffee consumption, which will be matched by funds from coffee industries in consumer countries.

The pact contains full economic provisions to regulate imbalances between production and consumption as far as possible and to mitigate violent price swings. But in view of the tight world supply outlook for the next two to three years following the devastating Brazilian frost, the agreement in effect recognises controls are virtually impossible in this period of scarcity.

Consumer sources said as much as possible had been done to ensure that quotas, which restrict supplies to consumers, would not be in effect in this first year, and possibly for the second year of the agreement.

There is, however, a built-in incentive to producing countries to move coffee to the world market in this period because once production has expanded to historic levels and quotas are finally imposed they will be determined in large part by the amount of coffee exported from October, 1976, onward.

The text of this third ICA differs very little from the draft pieced together by the eight-man contact group last week, although the quota-triggering mechanism has been refined.

Quotas will be introduced, when the Council has adopted a price range, by the composite indicator price remaining on average below the ceiling of this range for 20 consecutive market days. In the absence of a price range, quotas can be triggered by either of two criteria. One is if the average indicator price of other mild and robusta coffees remains below the 1975 average price of these two types, which at the moment is equivalent to about 63 cents a lb. The second is if the composite indicator remains for 20 consecutive days 15 per cent. or more below the average of this indicator price in the preceding coffee year during which the agreement was in force.

The change from the draft text circulated last week is in this second trigger which now only reflects the indicator price after the new agreement has been in force for a year, rather than in any preceding calendar year.

The agreement will be open for signature at the United Nations from January 31 to July 31 next year. It will come into force after 20 exporting members and 10 importing members, having 80 per cent. of the total votes on each side (votes are alloted in proportion to average exports and imports) have deposited instruments of ratification at the UN, which should be no later than September 30, 1976.

DAIRY FACTS

THE U.K. and EEC dairy facts and figures booklets (priced £1.50 and £1.25 respectively) described in yesterday's edition are available from the Milk Marketing Board, Thames Ditton, Surrey.

Reprieve for Lulu the champion

By Our Commodities Staff

LULU, the cross-bred heifer that won the supreme championship at the Royal Smithfield Show, at Earls Court this week was sold to a butcher for £3,000 in the showring yesterday.

But she will not be slaughtered for the Christmas meat trade which is the normal fate of Smithfield champions. Instead the butcher who bought her, Mr. Colin Cullimore, managing director of a *large chain of retail butchers* shops, said he would send her to the company's farm in Devon as she was "too pretty to die."

He also wanted to see if the young heifer — a Charolais cross Aberdeen Angus/Shorthorn aged under 15 months—could be of any use for breeding good beef animals.

Had the bidding gone any higher Lulu's fate may have been sealed because the £3,000 mark was the limit that he intended to bid, said Mr. Cullimore, who bought last year's champion for a record £7,800.

Earlier in the day the Queen and the Duke of Edinburgh visited the show. At one stage Prince Philip told butchers in the carcase section of the show that he did not like the "dirty brown dishwater" gravy often produced from present day beef. "At one time when you cooked meat a rich brown gravy came out—and that is what I like," he said.

India plans more grain imports

By Our Own Correspondent

NEW DELHI, Dec. 3.

INDIA'S AGRICULTURE Minister, Mr. Jagjivan Ram, has announced that foodgrains will continue to be imported to build up a buffer stock. This is despite the expectations that this year's foodgrain production will be a record 114m. tonnes.

The Minister said the Government proposed to purchase all surplus stocks of grain from farmers to ensure that prices did not fall below the support prices which would be the same as procurement prices announced last month.

BAUXITE PROJECT IN QUEENSLAND

Mr. Ronald Camm, Queensland Mines Minister, has introduced a Bill in the State Parliament covering the agreement between his Government and Aurukun Associates to develop a bauxite and alumina project at Aurukun on Cape York Peninsula.

U.K. potato shortage hits consumption

BY PETER BULLEN

THE EXTENT of the U.K.'s potato shortage was disclosed yesterday when Potato Marketing Board figures showed that stocks on farms are only half what they were at the comparable time last year and that consumption is already being hit by high prices.

The PMB's census of stocks taken at the end of October showed that only 1.8m. tons of stable-quality potatoes were in store on farms, compared with 3.6m. tons at the comparable times in 1974 and 1973.

Unfavourable weather for most of the year hit crops, reducing both acreage planted and yields obtained. However, the PMB said the crops had gone into store in excellent condition, and wastage, unusually high last season, is likely to be less than normal.

Insufficient

"Nevertheless, the tonnage remaining from the home crop will be insufficient to meet the country's requirements for the remainder of the season without considerably reduced consumption," the Board added.

After years of steady increase in potato consumption, the PMB expects that the average amount eaten per person this year will *drop to 193 lbs compared* with an average of over 212 lbs for the previous three-year period.

In order to conserve supplies the Government banned all exports of British potatoes from October 16. Only 16,000 tons had been shipped up to that date compared with the 46,000, 93,000 and 143,000 tons quantities exported in the three previous years.

In addition, home-grown supplies have been augmented by large imports of foreign potatoes since the Government suspended its usual ban on main crop imports from September 1. Imports in the past four months have reached 107,000 tons.

Altogether Britain is likely to spend about £30m. in foreign currency that the nation can ill afford to import potatoes this season, Mr. G. S. Grantham, PMB chairman, told the Board's annual meeting in London yesterday.

Imports need

The imports were inevitable to meet the requirements of consumers and processors but it was the first time for many years that Britain had become dependent on imported potatoes for a considerable proportion of her supplies.

"Nevertheless, as I said last year, nothing could be more disastrous so far as the cost-of-living index is concerned and for the industry as a whole than for this country to become in any way, shape or form, dependent on imports of potatoes," he said.

Although bad weather was the major cause of the shortage, another factor had been the "progressive and insidious erosion of confidence among growers during the past few years" evidence of which was apparent in the falling acreage of potatoes grown.

"This year has proved that it is bad business for this country to be short of potatoes but at the same time Government must *realise that budgeting for a* surplus has to carry with it a fair deal for the producer," said Mr. Grantham.

Records kept by the PMB showed that the average cost of potato production rose by 150 per cent. between 1970 and 1975, from £130 to £370 an acre, while the farmers' guaranteed price had risen by only 75 per cent. It was already clear that it will cost over £500 an acre to grow potatoes next season, and the present guaranteed price of £28 a ton would have to be raised to over £50 to persuade growers to continue in business.

Mr. Grantham said he was convinced that the achievement of a guaranteed price that was in line with likely costs, and included some provision for inflation and a reasonable profit element, was the cheapest and best way of serving the interests of all those who now, more than *ever, needed ample supplies of* British potatoes.

The shortage and the subsequent rise in prices had undoubtedly given rich rewards to many producers this year, but had also given rise to considerable local problems in the industry which could have damaged long-term acreage prospects.

Worst harvest

If the previous year had been an unusual one, then 1975 must verge on the unbelievable. "We have had the worst harvesting period that most of us have ever experienced, followed by one of the worst planting seasons and a period of drought that even the oldest among us found without precedent."

Because of the weather many producers had been left with crops so light that despite the high potato prices their returns would not cover their costs or generate enough capital to service next year's plantings.

He also warned producers to expect a "substantial" increase in the levy that they pay to fund the PMB next year. The Board had to withdraw £585,000 from reserves this year because of a drop of over £500,000 in income from growers—owing to the reduced acreage grown—and a rise of over £400,000, 23 per cent., in administrative expenditure, despite staff reductions and other economies. A deficit of the same order was inevitable in the coming year and this was clearly "a situation that could not continue unchecked."

Caribbean sugar price talks plan

BY CANUTE JAMES

KINGSTON, Jamaica, Dec. 3.

FOREIGN TRADE Ministers of sugar-producing countries in the Caribbean Community have started preparations for what they say will be "difficult" negotiations early next year with the EEC on the price to be paid for sugar during the 1976-77 delivery.

At the end of a special ministerial council meeting here last night, the Ministers said the talks next year would take place in an atmosphere different to those which ended in agreement in January on a price of £260 per ton.

Although the delegates were reluctant to indicate the prices they would be asking, they stressed that they would be asking the EEC to take account of such factors as a 33 per cent. increase in the cost of production, and the fallen position of the British pound.

When agreement was reached in late January the producing countries of the ACP group successfully retained a market for 1.3m. tonnes and a price of £260 with the help of record high world prices and a sugar shortage in the U.K.

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

[CO]PPER—Turned easier on the London [Metal] Exchange. After a steady opening [refle]cting the trend of the U.S. market [over]night coupled with modest U.K. [cons]umer demand, prices have drifted in [relat]ively quiet trading owing to hedge [...] and pricing sales especially of [illegible] ... opening firmness of Comex but the trend was not maintained, however, and the price ended at £579 on the afternoon Kerb. Turnover, 12,900 tonnes.

Amalgamated Metal Corporation reported that in the morning cash wirebars traded at £561, 61.5, 60.5, 60; three months £581, 81.5, 82, 82.5, 82, 81.5, 81, 80.5, 80, 80.5. Cathodes: Cash £548, 47.5; three months untraded. Kerb: Wirebars: [illegible] ... three months £580.5, 80, 79.5, 79, 78, 78.5, 79. Cathodes: Untraded.

	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	560-.5	—2	560-1	—2.25
3 months	580-.5	—1.5	580.5-1	—2.5
Settlem't	560.5	—2	—	......
Cathodes				
Cash	547.5-8	—2.5	547.5-8	—2.5
3 months	567-8	—2.5	567.5-8	—3
Settlem't	548	—2.5	—	......
U.S. Smt.	—	......	*63-63.7	......

TIN—See-sawed. Prices were depressed from the outset by the further decline in the Penang market overnight with forward metal falling to £3,067 and cash trading at £3,019. Buying, believed to have been on behalf of the buffer stock manager, was seen at that level in cash metal which then turned prices upwards, the movement being assisted by short-covering against European and U.S. physical demand. Cash metal ended the day at £3,028 while forward touched £3,105 before closing at £3,095. Turnover, 1,175 tonnes.

[illegible]

LEAD—[illegible]

ZINC—[illegible]

* Cents per pound. † On previous unofficial close. ‡ SM per picul.

SILVER

Silver was fixed [illegible] ... 204.7-205.7p ... 202½p (408 ...) [illegible]

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. close	+ or —
Spot	205p	+0.9	201.5p	—2.4
3 months	210.7p	+0.9	207.35p	—2.3
6 months	216.7p	+1.5	—	
7 months	—		215.35p	—2.5
12 months	230.4p	+1.6	—	

LME—Turnover [illegible]

FREIGHTS

OIL TANKERS—[illegible] ... DRY CARGO—[illegible]

COCOA

After opening firm on further short-covering, prices drifted back as trade selling found buyers backing away, reports Gill and Duffus. [illegible]

COFFEE

The new international coffee agreement seemed to have little effect on prices. [illegible]

RUBBER

STEADIER opening on the London physical market. [illegible]

GRAINS

THE BALTIC—Slow trading conditions persisted throughout the imported grain market, with little movement in sellers' prices. [illegible] ... \$11.75 f.l.o. Dec. and St. Lawrence Algeria \$15.75 f.l.o. Dec.

In other directions grain was fixed U.S. Gulf East Coast Mexico \$8 f.l.o. Dec., also Galveston La Guaira or Puerto Cabello \$8.75 f.l.o. Dec. Miscellaneous inquiries included phosphate Tampa Holland \$6.35 f.i.o. Dec. In time charter a vessel of 14,050 long dwt was booked Tampa China \$9.60 Dec. [illegible]

MARK LANE—[illegible]

LONDON GRAIN FUTURES MARKET (GAFTA)—[illegible]

HGCA—[illegible]

EEC COMMISSION—[illegible]

MEAT/VEGETABLES

MEAT COMMISSION—Average fatstock prices at representative markets on December 3: U.K.—Cattle, £21.55 per live cwt (—0.10); Sheep, 39.5p per pound e.d.c.w. (+1.6); Pigs, £4.55 per sc. l.w. (—0.15). England and Wales—Cattle numbers up 19.9 per cent., average price [illegible]

SMITHFIELD—[illegible]

COVENT GARDEN—[illegible]

GRIMSBY FISH—[illegible]

SOYABEAN MEAL

[illegible]

SUGAR

LONDON DAILY PRICE (raw sugar)—[illegible]

WOOL FUTURES

LONDON—The market was slightly easier in a dull and featureless session, Bache reports. [illegible]

SYDNEY GREASY—[illegible]

JUTE

LONDON—Quiet. [illegible]

CALCUTTA—Steady. [illegible]

DUNDEE—Steady. [illegible]

COPRA—[illegible]

PRICE CHANGES

Prices per ton unless otherwise stated.

	Dec. 3 1975	+ or —	Month ago
Metals			
Aluminium (v)	£396	......	£396
Free Market (cif)	£485-545	......	£510-525
[illegible]	[illegible]	[illegible]	£579.75
[illegible]	[illegible]	[illegible]	£601.25
[illegible]	[illegible]	[illegible]	£566.5
[illegible]	[illegible]	[illegible]	£588
[illegible]	[illegible]	[illegible]	£143.25
[illegible]	[illegible]	[illegible]	£165.25
[illegible]	[illegible]	[illegible]	£173.5
[illegible]	[illegible]	[illegible]	£2,381
[illegible]	[illegible]	[illegible]	\$1.81-1.8
[illegible]	[illegible]	[illegible]	\$275½-80½
[illegible]	[illegible]	[illegible]	£69.2
[illegible]	[illegible]	[illegible]	\$90-94
[illegible]	[illegible]	[illegible]	202.5p
[illegible]	[illegible]	[illegible]	209p
[illegible]	[illegible]	[illegible]	£3,021
[illegible]	[illegible]	[illegible]	£3,051
[illegible]	[illegible]	[illegible]	\$40-42
[illegible]	[illegible]	[illegible]	£350.25
[illegible]	[illegible]	[illegible]	£358.75
[illegible]	[illegible]	[illegible]	\$390
Oils			
[illegible]	[illegible]	[illegible]	[illegible]
Grains			
[illegible]	[illegible]	[illegible]	[illegible]
Other commodities			
[illegible]	[illegible]	[illegible]	[illegible]

* Nominal. † Seller. [illegible]

FINANCIAL TIMES

	Dec. 3	Dec. 2	Month ago	Year ago
	169.19	170.50	172.90	190.75

(Base: July 1, 1952=100)

REUTER'S

	Dec. 3	Dec. 2	Month ago	Year ago
	1143.5	1141.4	1147.5	1219.2

(Base: September 18, 1931=100)

DOW JONES

Dow Jones	Dec. 3	Dec. 2	Month ago	Year ago
Spot	299.36	298.07	295.95	398.52
Futures	279.65	279.18	284.92	379.02

(Average 1924-25-26=100)

MOODY'S

Moody's	Dec. 3	Dec. 2	Month ago	Year ago
Staple Commodity	741.1	743.0	753.3	938.3

(Dec. 31, 1931=100)

LIVERPOOL COTTON—[illegible]

U.S. Markets

Sharp drop in precious metals

NEW YORK, Dec. 3.

PRECIOUS METALS and copper closed sharply lower as silver recorded new life of contract lows on renewed chartist selling and commission-house liquidation. Sugar eased on light speculative selling, while cocoa and coffee rallied on light trade buying and commission-house short-covering. Despite expectations of a lower Soviet grain crop, grain futures closed lower on local and commission-house selling, Bache reports.

Cocoa—Ghana spot 70½ (69½). Bahia spot 62 (61). Dec. 60.45 (59.60), March 56.95 (55.90), May 54.80, July 53.65, Sept. 52.60, Dec. 51.80, March 50.75, May unquoted. Sales: 2,245.

Coffee—Santos No. 4 unquoted. Columbian Mams unquoted. C Contract: Dec. 79.90 (79.95), March 79.60-79.70 (79.65), May 79.80-80.00, July 80.50-80.80, Sept. 81.50-81.70. Sales: 239.

Copper—Dec. 52.30 (52.40), Jan. 52.50 (53.00 settlements), Feb. 53.20, March 53.70, May 54.50 settlements. Sales: 1,951.

Cotton—Dec. 55.05-55.15 (54.90-51.70), March 57.20-57.40 (57.32), May 58.00, July 58.55-58.58, Oct. 57.20, Dec. 56.40, March 56.75 bid, May 56.80 bid. Sales: 2,730.

φGold—Dec. 138.00 (138.80), Jan. 135.50 (139.40), Feb. 139.00, April 140.40, June 142.00, Aug. 143.70, Oct. 145.40, Dec. 147.20, Feb. 149.00, April 150.90. Sales: 2,497.

Greasewool—Spot 169.0 nom. Dec. 160.0-167.0 (160.0), March 164.4-165.0 (157.0), May 160.4-164.0, July 156.4-162.0, Oct. 155.0-159.0, Dec. 15.0-159.0, March 152.0 bid, May 149.0 bid.

†Lard—Chicago loose 19.00 nom. (same), NY prime steam 20½ nom. (same).

††Maize—Dec. 269-269½ (271½-270½), March 277-277½ (279½-279½), May 281½-281, July 283½-281, Sept. 275½, Dec. 265, March 275.

‡Platinum—Jan. 145.60 (144.30), April 146.50 (147.30), July 149.70, Oct. 153.10, Jan. 156.30-156.50, April 159.80-160.00. Sales: 184.

‡‡Silver—Spot 405.70 (412.50), Dec. 403.00 (411.80), Jan. 404.10 (413.30), Feb. 406.70, March 409.60, May 416.20, July 422.50, Sept. 429.50, Dec. 439.60, Jan. 442.90, March 449.90. Sales: 24,516.

*Soyabeans—Jan. 491-491½ (495½), March 501-499½ (504½), May 506½-506, July 516-515½, Aug. 516½, Sept. 522-523, Nov. 526, Jan. 535½.

ƀSoyabean Meal—Dec. 135.70-135.50 (137.60), Jan. 137.20-137.50 (138.40), March 139.70-139.50.

Soyabean Oil—Dec. 17.60-17.70 (17.85), Jan. 17.60-17.65 (17.82), March 17.75-17.65, May 17.75-17.80, July 17.85-17.90, Aug. 17.90, Sept. 17.30, Oct. 17.80-17.90.

Sugar—Spot 12.25 (12.35), Jan. 12.46 nom. (12.50 nom.), March 12.55-12.58 (12.65), May 12.70-12.66, July 12.80-12.73, Sept. 12.77-12.80, Oct. 12.82-12.90, March 12.88-12.92, May 12.90-12.91. Sales: 2,634.

Tin—297 asked (298 asked).

**Wheat—Dec. 343-343½ (345-345½), March 357-356 (358-359½), May 361-362, July 361½, Sept. 369.

WINNIPEG, Dec. 3. ††Rye—Dec. 241 (235 bid), May 252 bid (250½ asked), July 249 asked, Oct. 240 nom.

cOats—Dec. 160½ (158½), May 154 (152½), July 146½ bid, Oct. unquoted.

§Barley—Dec. 242 (238½ bid), May 236½ (234½ asked), July 234, Oct. unquoted.

dFlaxseed—Dec. 636½ bid (639), May 657 (660 bid), July 657 bid, Oct. 662 asked.

Wheat—SCWRS 13.5 per cent. protein content St. Lawrence 499½ (499½).

All cents per pound ex-warehouse unless otherwise stated. *Cents per 60-lb bushel ex-warehouse. φ \$'s per troy ounce—100-ounce lots. †Chicago loose \$'s per 100 lbs—Dept. of Ag. prices previous day. Prime steam f.o.b. NY bulk tank cars. ‡‡ Cents per troy ounce ex-warehouse. ƀ New "B" contract in \$'s a short ton for bulk lots of 100 short tons delivered f.o.b. cars Decatur and Illinois. ‡ \$'s per troy ounce for 50-ounce units of 99.5 per cent. purity delivered NY. **Cents per 60-lb bushel in store. ††Cents per 56-lb bushel ex-warehouse, 5,000 bushel lots. c Cents per 24-lb bushel. § Cents per 48-lb bushel ex-warehouse, 5,000 bushel lots. d Cents per 56-lb bushel, ex-warehouse, 1,000-bushel lots.

[C]OMPANY NOTICES

THE BRITISH STEAM SPECIALTIES GROUP LIMITED

NOTICE IS HEREBY GIVEN that the Ordinary Share TRANSFER BOOKS will be CLOSED from 20th December 1975 to 3rd January 1976 both dates inclusive.

By Order of the Board
R. D. THOMPSON
Secretary

28th November 1975

Fleet Street,
Lee Circle,
Leicester.

LEGAL NOTICES

Registered in England

[IN] THE MATTER OF THE COMPANIES ACTS 1948 to 1967
—and—
[IN T]HE MATTER of
J. R. OLDFIELD LIMITED
Company No. 95745
J. HAWS LIMITED
Company No. 23927
PENKALA (ENFIELD) LIMITED
Company No. 750875
ASSOCIATED PEN CO. LIMITED
Company No. 778178
BAILEY AND WHITES (MIDLANDS) LIMITED
Company No. 353072
BAILEYS DO IT YOURSELF LIMITED
Company No. 657579
BAILEY AND WHITES (PROPERTIES) LIMITED
Company No. 618169

[Regi]stered Office: Kingsbury House, 15-17, King Street, London, S.W.1.

[N]OTICE IS HEREBY GIVEN pursuant [to S]ection 293 of the Companies Act [1948] that MEETINGS of the CREDITORS [of t]he above-named Companies will be [held] at the Offices of W. H. CORK, [GUL]LY & CO., 19, Eastcheap, London, [EC3]M 1DA, on Thursday, the 11th [Dece]mber 1975, at 11 a.m., 11.20 a.m., [...]noon, 12.10 p.m., 12.20 p.m., 12.30 [p.m.] and 12.40 p.m., respectively for the [purp]ose of having Statements of the [Asse]ts and Liabilities of the Companies [laid] before the Meetings. [Pr]oxies to be used at the Meetings [must] be duly completed and lodged at [the] Registered Office of the Companies as [...] not later than 4 p.m. on Monday, [8]th day of December, 1975.

[D]ATED this 25th day of November.

A. G. C. CLARKE,
Liquidator.
62, Belmont Rise, Cheam, Surrey.

No. 003924 of 1975

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of KITCHEN GALLERY LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 28th day of November 1975, presented to the said Court by W. F. RATIONAL BUILT-IN KITCHENS LIMITED whose registered office is situate at Little Island Industrial Estate, Cork, in the Republic of Ireland, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 12th day of January, 1976, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

QUIRKE & CO.,
95a, Chancery Lane,
London WC2A 1DT.
Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 9th day of January 1976.

[P]UBLIC NOTICES

ESSEX COUNTY BILLS
[£...]m. Bills issued 2 December, due [...] March 1976, at average rate of [...]77215%. Applications £104m. No [other] Bills in issue.

STOCK EXCHANGE REPORT

Leaders well below the best after initial improvement

Index up 1.5 at 368.1, after 373.2—Gilts and Golds quiet

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Nov. 17	Nov. 27	Nov. 28	Dec. 9
Dec. 1	Dec. 10	Dec. 11	Dec. 22
Dec. 12	Dec. 23	Dec. 24	Jan. 7

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

After making fresh progress for most of the day, equity markets faltered in the late afternoon, sentiment possibly being affected by fresh weakness on Wall Street in early dealings there. The turnround was well illustrated by the FT 30-share index, which touched its best of the day at 1 p.m. with a rise of 6.6 before closing only 1.5 up on balance at 368.1.

British Funds passed a rather quiet session. Short-dated issues closed with fractional gains, but mediums and longs were rarely altered. The Government Securities Index shed another 0.01 to 58.16.

Elsewhere, company trading statements produced some notable movements. Disappointing interim figures prompted marked reactions in W. H. Smith "A," down 22 at 346p, and J. Lyons "A," 18 *off at 132p*. There was a noticeable slackening off in activity—official markings of 6,412 compared with 7,233 on Tuesday—but overall, gains were still in a majority and rises led *falls by 7-4 in FT-quoted industrials*. The FT-Actuaries All-Share Index improved 0.8 per cent. to 156.07.

Gilts quietly firm

A small trade in British Funds centred largely on Treasury 10½ per cent., 1981, and selected high-coupon shorts. The former rose ⅛ to 96⅝, but gains among the nearer maturities were usually limited to ⅛. Interest was exceptionally slow in the afternoon session, although the firm undertone was fully maintained. For the most part, the longer-dated issues were ignored. Corporations continued to find some support and were ⅛ higher in places.

The investment currency premium made late improvement in thin trading to close ⅞ higher on the day at 113⅞ per cent. Yesterday's S.E. conversion factor was 0.6029 (0.6056).

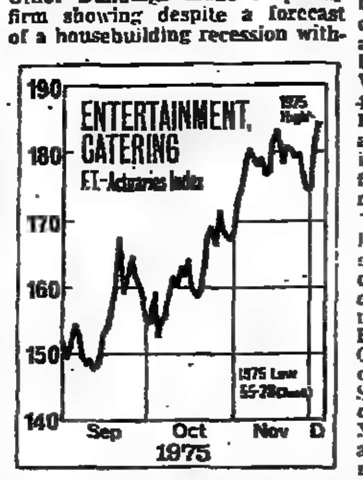
Banks below best

Although closing a few pence below the day's best, the big four Banks still secured fresh improvements of up to 5 following a good *business. Barclays closed that* much dearer at 303p, after 306p, while Lloyds were similarly higher at 243p, after 246p. Bank of Scotland hardened 3 at 293p in sympathy and, in a thin market, Bank of Ireland added 15 to 385p. Still drawing strength from the excellent half-year figures, Standard and Chartered rose 7 more to 480p, after 485p, *in Overseas issues*. Discounts firmed in places, with King and Shaxson 4 up at 58p and Smith St. Aubyn 2 harder at 62p. Merchant banks had contrasting features in Leopold Joseph, which rose 20 to *240p in a thin market, while* Slater Walker remained a nervous market and lost 2 to 20p. A dull market last week on the company's decision to defer payment of the dividend on the 4½ *per cent. Preference stocks*, UDT rallied 2 to 15p in Hire Purchases.

Insurances tended to ease late and closed narrowly mixed. Following the third-quarter profits Phoenix shaded 3 at 218p, after 222p. Wall Street influences left Combined Insurance Company of America 20 lower at 890p.

In front of to-day's preliminary results, Bass Charrington edged *forward a penny to 98p*. Allied were similarly dearer at 69p, while Arthur Guinness hardened 3 at 156p; the latter's results are due next Thursday. Elsewhere, Arthur Bell improved 4 more to 134p, for a two-day advance of 12. A late reaction left Distillers unaltered at 129p, after 131p.

Armitage Shanks featured with a rise of 10 to 60p on the better-than-expected interim figures. Other Buildings made a quietly firm showing despite a forecast of a housebuilding recession within two years. Tarmac improved 3 to 173p, while Tunnel "B," 188p, and H. and R. Johnson Richards Tiles, 195p, put on 8 and 9 respectively.



After touching 317p, ICI closed unchanged on the day at 314p. *Elsewhere in Chemicals*, Hoechst advanced 8 to 460p on further consideration of the interim report. Following the formal offer document, Holt Products closed a penny better at a 1975 peak of *42p, while Lloyd Industries held* at 60p. Still awaiting the outcome of the bid talks with Bowater, Stewart Plastics moved up 2 to 100p.

W. H. Smith "A" were a dull market, falling 22 to 346p in active trading on the disappointing interim statement. Although below the best in the late trade, other Stores generally closed better where changed. Marks and Spencer were active and a penny harder at 101p, after 103p, while Debenhams, 85p, and UDS, 86p, put on 2 apiece. House of Fraser were finally 1¼ firmer at 72½p, after 74½p. Awaiting to-day's interim statement, "Gussies" "A" closed a penny cheaper at 188p, after 191p, following a reasonable business. Among secondary issues, Vernon Fashion edged up 2 to 48p on the interim report. Dixon's Photographic hardened 2 to 38p as did B. Paradise to 26p. Interest in Mail Orders was largely confined to MFI Warehouses, which moved up 2 to 32p.

Business was fairly quiet in leading Electricals, which generally closed with small losses on profit-taking after showing *earlier fresh promise. Helped by* the £188m. Iranian order for the BAC Rapier air defence system, GEC closed with an improvement of a penny at 141p, after 143p. Still meeting buying enthusiasm *on the prospect of the company's* X-ray Scanners, EMI rose afresh to a 1975 peak of 239p, but later reacted to 230p for a loss of 4 on the day. Plessey finished a penny down at 79p, after 82p, while *Thorn Electrical relinquished* an early gain of 4 to close unaltered at 304p. Philips' Lamp, on Amsterdam advices, came back 15 to 835p ahead of to-day's interim dividend announcement. Modest gains occurred elsewhere, but Decca ended 3 off at 244p, after 248p, while Racal Electronics, in front of to-day's half-year report, softened a shade to 184p. Henry Wigfall, 167p, and George H. Scholes, 193p, recorded improvements of around 5, while Muirhead, on further speculative interest, added 3 at 93p.

Final gains in Engineerings were modest, but Hawker were encouraged by the proposed U.S. deal where it will acquire a substantial stake in Onan Corporation and rose 4 to 322p. Other news items put Tecalemit up 2 to 47p, Wagon Industrial 1 to 87p and B. Elliott 3 to 34p. A mid-week investment recommendation helped Edgar Allen. Balfour rise 2 to 68p, while Weir were similarly better at 73p *following* repayment of the D-mark loan. Elsewhere, Anderson Strathclyde advanced 5 to 164p and Clarke Chapman rose to 73p before closing only 2 harder on the day at 69p.

There was not a lot of activity in the miscellaneous Industrial leaders, where early fresh gains were later trimmed. Unilever finished 4 up at 408p, after 412p, while Turner and Newall, following favourable Press comment, touched 151p before ending a net 3 better at 149p. Glaxo closed similarly firmer at 368p, after extremes of 363p and 371p, while Beecham ended just a shade firmer at 339p, after 343p. A loss of 4 was recorded in Rank Organisation "A," 153p, while Boots ended 3 cheaper at 132p, after 138p. Elsewhere, Pauls and Whites met support and improved 4 to a high for the year of 76p in anticipation of to-day's half-yearly figures. International Computers, with preliminary results due December 9, put on 2 to 66p, while further consideration of the half-year report left LCP 3 higher at 71p. Ozalid firmed 2 to 124p on the sale of a large parcel of ICI shares. Bestobell were notable for an advance of 10 to 168p, while Valor picked up 3 to 32p. Gains of 4 occurred in Central Manufacturing, 48p, and "Mams," 64p, while Silentbloc added 3 at 31p. B. S. and W. Whiteley returned from suspension at 34p, compared with Tuesday's suspension price of 36p, following the Take-over Panel's decision not to compel a Swiss concern, currently holding a third of the company's equity, to make a full-scale bid.

J. Lyons 'A'

J. Lyons "A" featured with a fall of 18 to 132p in active trading on acute disappointment with the lower first-half profits. In a firm Food sector, Associated Dairies improved 7 to a 1975 peak of 208p, while Hazlewoods (*Proprietary*), *22p*, and Joseph Stocks, 80p, put on 2 and 3 respectively. Higher interim figures took Alpine Soft Drinks up 2 to 114p, while RHM closed a penny better at 30p following Press comment on the preliminary figures. Spillers remained an active market, the Ordinary closing unchanged at 43p, after 44p, while the new nil-paid shares ended a fraction firmer at 5p premium.

Motors and Distributors shrugged aside suggestions that the low level of British Leyland stocks could lead to importers taking a larger share of the U.K. *market and closed* with widespread gains. Lucas Industries, 171p, and Turner Manufacturing, 60p, put on 3 apiece. Brown Bros. finished a fraction harder at 16½p, while interest was also shown in Flight Refuelling and Clayton Dewandre, both of which closed 2 harder at 27p and 78p respectively. Dowty rose 4 to 141p. Crane Fruehauf contrasted with a fall of a penny to 17p following adverse Press comment.

Daily Mail "A" marginally improved on the interim figures to close 3 harder at 178p, but Morgan Grampian stayed at 40p despite increased first-half profits. McCorquodale returned to favour *and gained 8 to 218p in otherwise* colourless Paper/Printings. Trident were lowered 3 to 47p.

A reasonable business in the Property leaders saw prices harden a little before turning dull late. Land Securities were finally 4 down at 162p, after 167p, while MEPC finished a penny off at 63p, after 67p. No decided trend was established in quiet secondary issues. Attempted buying in a limited market brought a rally of 2 to 9p in Chown Securities following the previous day's decline of 2½ on the year's deficit and nil dividend. A. and J. Mucklow improved 5 to 145p and C. H. Beazer 4 to 119p, but Haslemere Estates, in front of to-day's interim announcement, closed the turn easier at 175p. Samuel Properties, with preliminary results expected to-day, were fractionally lower at 22p.

Burmah Developments

Leading Oils fluctuated narrowly, before closing unaltered on balance. British Petroleum ranged between 570p and 563p, prior to ending at 568p in front of to-day's third-quarter results. The Government's renewal of *Burmah's dollar borrowing* guarantee and offer to purchase the whole, or part, of its North Sea assets brought little response, although the price was raised 1 to 32p. Elsewhere, revived demand lifted Anglo-Ecuadorian 5 to 64p. Woodside-Burmah rebounded 7 to 121p and Siebens (U.K.) steadied after the North Sea dry well disappointment to close 15 higher *at 255p. Weeks Natural Resources* improved 4 to 74p, but Sunningdale gave up 35 at 460p.

Occasionally firmer Overseas Traders had Harrisons and Crosfield closing 50 up at 823p, after 830p, following news of the "rights" offer success.

Features were few and far between in Trusts and Financials yesterday. Lubok Investments edged forward a shade more to 12p on further consideration of the company's sale of its 28.6 per cent. shareholding in Malit Securities (3 down at 25p) at 33p per share. Direct Spanish Telegraph hardened 4 at 47p and Lampa Securities closed 2 up at 74p.

A reasonable business was transacted in Shippings which resisted the late easier tendency elsewhere in the market. Furness Withy, however, cheapened a penny more to 186p, still upset by Eurocanadian Shipholdings' reduced share stake. John I. Jacobs met renewed speculative interest and hardened 1½ to 19½p, after 20p, while Milford Docks, at 48p, retrieved 6 of the previous day's fall of 10 in a thin market.

In common with other market majors, Courtaulds suffered a late reaction and came to rest a penny down *on the day at 144p, after* 147p. Elsewhere in mixed Textiles, further consideration of the poor interim figures left Parkland "A" down 2 more at 18p, while news of the chairman's death left losses of 1½ in both Illingworth Morris Ordinary, 23p, and "A," 22½p. Improvements of 3 and 7 respectively were recorded in Hugh Mackay, 48p, and "Snia-*Viscosa*," 195p. *Tobaccos leaders* closed below the best, with Bats 3 better at 323p, after 326p, and Imps 1½ dearer at 81½p, after 82p.

Golds pause

Despite the firmer tendency in overnight U.S. bullion and share markets, the recovery in South African Gold shares was checked by the marginally lower morning fixing of the metal.

Earlier Cape buying of Golds petered out but in moderate trading prices generally held earlier rises and the Gold Mines *index rose 1.0 to 220.4. Bullion* recovered its earlier loss and closed unchanged on balance at $139.25 per ounce.

In the heavyweight issues, Free State Geduld and West Driefontein were both ½ better at £20¼ and £35½ respectively, but Western Holdings gave up [illegible] £23½.

Among the lower priced [illegible] Kloof Gold (660p) and [illegible] post (310p) both lost 10.

Financials were quiet. [illegible] Mining gained a further [illegible] £23½ on investment demand [illegible] Anglo-Vaal improved ½ to [illegible]

London-based Finance [illegible] were mixed despite the [illegible] of U.K. Industrials. [illegible] rose 3 to 211p, but Selection [illegible] retreated 5 to 465p and [illegible] Zinc eased to 178p.

In Coppers, Cape buying [illegible] *Messina 10 better at* [illegible] Botswana RST 2 up at [illegible] shares of the Zambian [illegible] were neglected.

Platinums lost ground [illegible] dealings owing to U.S. [illegible] Potgietersrust fell 7 to 145p [illegible] Waterval dropped 9 to 158p.

Australians were mixed [illegible] with overnight home [illegible] Poseidon rose a further 16 to [illegible] *while* Bougainville gained [illegible] 102p in a thin market. [illegible] Uraniums. EZ Industries [illegible] higher at 320p and [illegible] Resources rose 3 to 23p, but [illegible] continental fell a further [illegible] 805p. Tins were quiet.

Elsewhere, Consolidated [illegible] son gained 10 to 760p, after [illegible] on Cape interest.

FINANCIAL TIMES STOCK INDICES

	Dec. 3	Dec. 2	Dec. 1	Nov. 28	Nov. 27	[illegible]
Government Secs.	58.16	58.17	58.10	58.37	58.65	[illegible]
Fixed Interest	58.93	58.51	58.54	58.80	58.90	[illegible]
Industrial Ordinary	368.1	366.6	361.2	357.5	360.5	[illegible]
Gold Mines	220.4	228.4	219.3	222.7	224.9	[illegible]
Ord. Div. Yield	5.73	5.75	5.83	5.90	5.85	[illegible]
Earnings Yld % (full)	15.95	15.98	16.22	16.44	16.31	[illegible]
P/E Ratio (net)	9.13	9.10	8.97	8.85	8.93	[illegible]
Dealings marked	6,412	7,233	6,344	7,404	6,548	[illegible]
Equity turnover £m.	—	67.53	60.97	75.96	63.30	[illegible]
Equity bargains total	—	16,582	14,074	17,987	17,480	[illegible]

10 a.m. 368.1. 11 a.m. 369.6. Noon 371.3. 1 p.m. 373.2. 2 p.m. [illegible] 3 p.m. [illegible]

Latest Index 01-246 8026.

[illegible] Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1975 High	1975 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	62.54	49.18	127.4	49.18
Fixed Int.	62.51	50.53	150.4	50.53
Ind. Ord.	377.8	146.0	543.6	49.4
Gold Mines	442.3	218.4	442.3	43.5

S.E. ACTIVITY

	Dec. 3	[illegible]
Daily		
Gilt Edged	156.5	[illegible]
Industrials	230.9	[illegible]
Speculative	54.5	[illegible]
Totals	145.8	[illegible]
5-day Av'ge		
Gilt Edged	166.2	[illegible]
Industrials	239.0	[illegible]
Speculative	57.0	[illegible]
Totals	154.5	[illegible]

RISES AND FALLS YESTERDAY

	Up	Down	[illegible]
British Funds	17	1	[illegible]
Corpns. Dom. and Foreign Bonds	20	2	[illegible]
Industrials	394	215	[illegible]
Financial and Prop.	116	72	[illegible]
Oils	7	5	[illegible]
Plantation	1	6	[illegible]
Mines	[illegible]	20	[illegible]
Recent Issues	15	5	[illegible]
Totals	[illegible]	[illegible]	[illegible]

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS — GROUPS & SUB-SECTIONS. Figures in parentheses show number of stocks per section.

	Equity groups	Wed. Dec. 3, 1975 Index No.	Day's Change %	Est. Earnings Yield % (Max.) (Corp. Tax 52%)	Gross Div. Yield % (ACT at 35%)	Est. P/E Ratio (net) (Corp. Tax 52%)	Est. P/E Ratio (nil) (Corp. Tax 52%)	Tues. Dec. 2 Index No.	Mon. Dec. 1 Index No.	Friday Nov. 28 Index No.	Thurs. Nov. 27 Index No.	Year ago (approx.) Index No.	1975 High	1975 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (178)	139.84	+1.3	16.45	5.96	9.12	9.11	138.07	134.60	135.51	137.10	55.16	143.35 (12/11)	51.78 (6/1)	206.37 (4/6/72)	50.71 (13/12/74)
2	Building Materials (30)	135.10	+1.8	13.36	6.30	11.44	11.43	132.65	128.98	130.49	131.93	51.18	138.19 (12/11)	46.11 (6/1)	233.84 (25/72)	44.27 (11/12/74)
3	Contracting, Construction (23)	253.10	+1.8	14.78	3.80	10.22	10.22	248.68	259.53	245.06	248.42	71.98	263.64 (12/11)	74.74 (6/1)	389.38 (19/6/72)	71.48 (12/12/74)
4	Electricals (18)	247.52	+1.3	16.51	4.59	8.87	8.87	244.11	238.07	235.79	239.66	100.04	254.66 (18/11)	98.49 (2/1)	380.04 (6/6/72)	84.71 (25/6/76)
5	Engineering (Heavy) (13)	160.07	+1.6	20.23	7.44	7.53	7.55	157.50	155.84	153.90	154.67	71.85	164.07 (19/11)	64.39 (2/1)	202.57 (2/6/75)	64.39 (2/1/75)
6	Engineering (General) (63)	120.36	+0.8	18.32	6.97	8.17	8.17	119.44	116.66	117.83	119.34	49.40	123.15 (19/11)	45.43 (6/1)	168.59 (4/5/72)	45.43 (6/1/75)
7	Machine and Other Tools (8)	48.39	+0.2	17.48	8.71	10.31	10.51	48.21	47.46	48.25	49.34	21.47	50.91 (21/11)	20.11 (2/1)	136.70 (4/7/66)	19.96 (13/12/74)
8	Miscellaneous (24)	119.06	-1.1	17.36	6.71	8.66	8.66	117.80	115.55	115.83	116.71	54.07	121.76 (6/8)	49.65 (6/1)	177.41 (27/4/72)	49.65 (6/1/75)
9	CONSUMER GOODS (DURABLE) (56)	114.29	-1.0	16.20	5.42	9.30	9.29	113.17	110.52	110.57	112.42	43.86	117.45 (18/11)	38.59 (6/1)	227.78 (21/4/72)	38.59 (6/1/75)
10	Electronics, Radio TV etc. (15)	126.89	+1.0	14.89	4.23	10.04	10.05	125.59	122.27	121.55	125.88	47.37	131.94 (10/11)	44.28 (6/1)	257.41 (19/5/72)	42.65 (12/12/74)
11	Household Goods (14)	164.13	+0.8	14.92	6.58	9.85	9.92	162.86	161.80	163.10	165.35	67.50	168.90 (19/11)	64.53 (6/1)	263.22 (4/5/72)	63.92 (17/12/74)
12	Motors and Distributors (27)	67.82	+1.0	18.78	6.91	8.17	8.17	67.15	65.43	65.88	66.82	25.98	70.25 (12/11)	19.91 (6/1)	170.59 (15/1/69)	19.91 (6/1/75)
13	CONSUMER GOODS (NON-DURABLE) (168)	148.27	+1.0	13.3[illegible]	5.84	11.09	10.99	146.77	143.57	143.92	144.86	65.52	152.28 (18/11)	61.98 (6/1)	226.08 (16/8/72)	61.41 (13/12/74)
14	Breweries (15)	161.12	+1.0	12.71	6.57	11.91	11.91	159.51	157.75	159.04	160.34	74.92	172.63 (12/11)	75.58 (6/1)	281.87 (28/11/72)	69.47 (13/12/74)
15	Wines and Spirits (7)	161.42	+2.2	11.83	6.26	12.85	12.85	157.89	154.34	156.73	157.94	93.74	177.94 (4/7)	80.42 (6/1)	257.40 (13/7/72)	78.61 (13/12/74)
16	Entertainment, Catering (16)	184.23	+1.5	11.81	6.60	13.56	12.92	181.92	174.60	174.66	176.23	62.56	184.23 (3/12)	55.28 (6/1)	329.99 (12/12/72)	54.87 (19/7/74)
17	*Food Manufacturing* (22)	*161.05*	*-0.4*	*15.08*	*6.05*	*10.69*	*10.67*	160.42	157.74	158.09	158.81	62.72	166.90 (18/11)	62.03 (2/1)	211.65 (1/6/72)	59.78 (11/12/74)
18	Food Retailing (16)	143.56	+0.8	10.81	4.76	13.44	13.44	142.46	138.86	138.78	139.97	56.25	155.86 (10/11)	57.15 (2/1)	235.08 (15/6/72)	54.25 (11/12/74)
19	Newspapers, Publishing (15)	161.96	+0.7	14.10	6.24	10.61	10.61	160.80	158.49	159.82	159.66	62.50	161.96 (3/12)	55.08 (6/1)	250.29 (12/1/72)	55.08 (6/1/75)
20	Packaging and Paper (13)	100.90	+0.3	21.87	7.56	6.80	6.81	100.63	98.66	98.35	98.77	47.80	107.12 (20/6)	43.46 (6/1)	135.69 (28/4/72)	43.46 (6/1/75)
21	Stores (33)	125.10	+1.2	11.96	5.41	12.79	12.79	123.60	120.93	120.70	121.62	56.90	132.94 (24/10)	52.63 (6/1)	204.39 (16/2/72)	52.63 (6/1/75)
22	Textiles (22)	160.40	+0.4	15.09	6.73	5.62	5.09	159.83	155.84	154.34	154.40	63.74	162.58 (12/11)	62.91 (6/1)	253.72 (17/3/68)	62.56 (11/12/74)
23	Tobaccos (3)	213.25	-1.7	15.89	6.32	9.57	9.57	209.70	205.49	206.44	208.02	117.31	218.96 (12/11)	109.92 (6/1)	359.16 (2/8/72)	94.34 (13/6/62)
24	*Toys and Games* (6)	60.75	+0.4	23.21	6.34	6.01	5.01	60.48	60.06	60.43	61.96	23.86	63.76 (26/11)	20.92 (6/1)	135.72 (16/1/70)	20.92 (6/1/75)
	OTHER GROUPS (94)															
25	Chemicals (24)	191.63	+0.6	14.52	5.03	9.65	9.65	190.52	187.39	188.16	188.49	75.09	193.68 (24/11)	73.14 (6/1)	201.98 (31/1/69)	71.20 (1/12/74)
26	Office Equipment (10)	88.47	+0.5	15.07	5.89	9.31	9.51	88.02	86.82	87.79	88.34	50.00	104.78 (17/4)	46.34 (2/1)	246.06 (1/9/72)	46.34 (2/1/75)
27	Shipping (12)	378.07	+0.3	19.89	6.41	6.43	5.18	377.72	375.57	377.42	381.24	220.66	404.18 (12/11)	194.38 (6/1)	517.00 (5/12/72)	90.80 (29/6/62)
28	Miscellaneous (48)	152.15	+0.8	15.98	6.76	9.30	9.30	150.97	146.57	147.21	149.95	68.05	156.36 (12/11)	60.39 (6/1)	258.83 (2/5/72)	60.39 (6/1/75)
29	INDUSTRIAL GROUP (496)	147.77	+1.0	14.73	5.82	9.95	9.90	146.35	143.12	143.70	144.94	63.06	151.53 (18/11)	59.19 (6/1)	220.17 (1/5/72)	59.01 (13/12/74)
30	OILS (4)	323.57	—	15.55	4.98	7.18	6.45	323.52	321.17	321.15	321.17	123.73	338.18 (15/11)	105.83 (2/1)	431.66 (29/5/69)	87.23 (29/6/62)
31	500 SHARE INDEX	162.44	-0.8	14.86	5.69	9.40	9.14	161.11	157.93	158.46	159.62	68.22	167.07 (15/11)	63.49 (6/1)	227.95 (1/5/72)	63.49 (13/12/74)
32	FINANCIAL GROUP (100)	134.81	+0.7	—	5.26	—	—	133.91	130.58	131.41	133.31	58.34	146.45 (20/6)	56.50 (6/1)	241.41 (11/6/72)	55.88 (13/12/74)
33	Banks (6)	166.64	+1.6	17.65	4.83	8.08	8.68	164.04	159.42	158.90	161.78	66.42	177.11 (12/5)	62.56 (2/1)	288.52 (20/7/72)	62.44 (12/12/74)
34	Discount Houses (9)	165.81	+0.9	—	7.43	—	—	164.29	162.21	162.82	164.01	88.66	171.13 (17/11)	84.13 (6/1)	293.13 (2/7/72)	81.40 (10/12/74)
35	Hire Purchase (5)	96.03	+2.7	—	5.54	—	—	94.33	93.42	91.40	92.80	52.38	134.39 (13/5)	42.81 (6/1)	433.72 (4/5/72)	38.83 (11/12/74)
36	Insurance (Life) (9)	117.91	-0.1	—	5.80	—	—	118.01	115.39	117.49	119.88	47.24	129.31 (12/11)	44.88 (2/1)	194.46 (16/3/72)	44.88 (2/1/75)
37	Insurance (Composite) (7)	107.98	+0.5	—	6.34	—	—	107.40	104.20	105.61	106.43	47.11	123.90 (20/6)	44.47 (2/1)	155.76 (21/4/72)	43.96 (13/12/74)
38	Insurance (Brokers) (10)	220.88	+0.3	9.57	4.05	15.75	15.75	220.25	216.82	218.04	221.46	73.04	232.39 (12/11)	68.96 (7/1)	262.37 (12/12/72)	65.86 (16/12/74)
39	Merchant Banks (18)	85.65	+0.2	—	6.29	—	—	85.48	83.84	83.77	86.22	36.38	94.97 (7/3)	31.21 (7/1)	278.57 (1/6/72)	31.21 (7/1/75)
40	Property (32)	166.02	-0.2	3.69	3.56	44.32	[illegible]	156.38	155.09	156.41	160.26	84.26	241.22 (22/4)	88.19 (7/1)	357.40 (9/11/73)	56.01 (20/4/65)
41	Miscellaneous (4)	79.10	+1.3	12.67	6.11	12.61	12.46	78.11	75.79	80.14	80.14	34.61	80.81 (26/11)	34.78 (10/1)	303.13 (18/5/72)	33.29 (17/12/74)
42	Investment Trusts (50)	171.85	+0.3	2.93	4.16	34.14	34.11	171.32	168.62	170.49	172.84	76.05	178.53 (6/6)	73.43 (6/1)	246.79 (25/4/72)	71.63 (13/12/74)
43	ALL-SHARE INDEX (650)	156.07	+0.8	—	5.52	—	—	154.89	151.72	152.58	153.75	66.07	160.63 (18/11)	62.16 (6/1)	228.18 (1/5/72)	61.92 (13/12/74)
	COMMODITY GROUPS (Not included in 500 or All-Share indices)															
44	Rubbers (9)	373.47	-1.4	17.29	8.99	8.83	8.81	378.60	376.64	377.80	384.94	294.64	525.45 (25/2)	281.66 (2/1)	555.37 (25/7/73)	84.68 (22/2/65)
45	Teas (9)	111.31	-0.2	42.47	9.30	3.46	3.40	111.15	111.32	111.32	109.69	76.65	124.57 (11/11)	76.76 (10/1)	124.57 (11/11/75)	59.72 (17/10/74)
46	Coppers (3)	259.45	-0.9	46.57	6.62	2.15	2.15	257.21	261.04	263.84	260.68	371.41	467.74 (27/6)	253.37 (17/11)	567.76 (15/7/75)	94.08 (29/4/62)
47	Mining Finance (11)	110.91	-0.7	10.81	4.61	10.45	10.45	110.14	109.43	108.37	108.68	86.85	141.34	80.58	175.90	66.31
48	Tins (8)	91.90	-0.2	13.61	9.85	[illegible]	[illegible]	91.67	92.06	96.40	97.11	60.23	[illegible]	[illegible]	[illegible]	54.83
49	Overseas Traders (13)	216.37	+1.0	15.30	4.83	[illegible]	[illegible]	218.48	210.12	211.10	214.75	[illegible]	[illegible]	[illegible]	[illegible]	97.37

	FIXED INTEREST	Wed. Dec. 3 Index No.	Yield %	Tues. Dec. 2	Monday Dec. 1	Friday Nov. 28	Thurs. Nov. 27	Wed. Nov. 26	Tuesday Nov. 25	Monday Nov. 24	Year ago (approx.)	1975 High	1975 Low	Since Compilation High	Since Compilation Low
1	Consols 2½% yield	—	14.93	14.94	14.94	14.92	14.80	14.79	14.79	14.78	15.98				
2	20-yr. Govt. Stocks (6)	46.14	14.04	46.17	46.18	46.44	46.73	46.73	46.51	46.59	40.52	53.09	38.27	115.42	38.27
3	20-yr. Red Deb. & Loans (15)	48.88	16.03	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	57.01	[illegible]	113.45	37.01
4	Investment Trust Prefs. (15)	46.35	14.96	46.35	46.21	46.52	46.62	46.57	46.57	[illegible]	34.45	47.30	[illegible]	[illegible]	34.45
5	Coml. and Indl. Prefs. (20)	63.86	14.61	63.65	63.54	63.92	64.18	64.25	64.56	64.42	[illegible]	[illegible]	[illegible]	[illegible]	47.67

Section or Group	Base Date	Base Value
Overseas Traders	31/12/74	100.00
Engineering (Heavy)	31/12/71	153.84
Engineering (General)	31/12/71	153.84
Wines and Spirits	16/1/70	144.76
Toys and Games	16/1/70	135.72
Office Equipment	16/1/70	[illegible]
Industrial Group	31/12/70	128.20
Miscellaneous Financial	31/12/70	128.06
Food Manufacturing	29/12/67	[illegible]
Food Retailing	29/12/67	114.13
Insurance Brokers	29/12/67	96.67
Mining Finance	29/12/67	100.00
All Other	10/4/62	100.00

† Redemption yield. FT-Actuaries indices are calculated by Extel Communications Limited (a member of the Exchange Telegraph Group) on an IBM 370 computer. A list of the constituents of the FT-Actuaries Share Indices is now available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 22p. Commonwealth 18p. Foreign 22p.

RECLASSIFICATIONS: [illegible]

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1975 high	1975 low
ICI	£1	14	314	—	328	118
Barclays Bank	£1	11	303	+3	325	112
Bt. H. Sts. "New"	Nil/pd.	11	60*	+3	78*	54*
Nat. Westminster	£1	11	243	+3	273	88
GEC	25p	10	141	+1	147	51
Stnd. & Chartered	£1	10	480	+7	510	210
Unilever	25p	10	408	+4	429	170
Vickers	£1	9	148	+2	150	65½
Distillers	50p	9	129	—	152	53
Lyons (J.) "A"	£1	9	132	-18	178	52
"Bats" Defd.	25p	8	323	+3	338	164
Courtaulds	25p	8	144	-1	154	53
Debenhams	25p	8	85	+2	88	19½
Lloyds Bank	£1	8	243	+3	260	60
Midland Bank	£1	8	333	+3	368	122

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e).

* Premium.

Option Report—3-month Call rates

OPTION DEALING DATES

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Nov. 25	Dec. 8	Feb. 19	Mar. 2
Dec. 9	Dec. 22	Mar. 4	Mar. 16
Dec. 23	Jan. 6	Mar. 18	Mar. 30

"Calls" were dealt in Burmah Oil, Royco, Berry Wiggins, Cons. Gold Fields, Triplevest Capital, Reyrolle Parsons, Dixon's Photographic "A," Dunlop, F. W. Woolworth, Land Securities, Marley, Lake and Elliot, Town and City, Charterhall Finance, Lubok and Grand Metropolitan. A "put" was done in J. Lyons "A" while a "double" was arranged in Amalgamated Investment.

Industrials				Property		Mines	
[illegible]		[illegible]		[illegible]		[illegible]	
Cadbury	6	"Mams"	6	Brit. Land	54	Hampton Prop.	4
Courtaulds	11	Marks & Spencer	11	Cap. Counties	4½	Kloof	143
Debenhams	8	Midland Bank	25	E.P.	8	Lonrho	13
Distillers	13	Nat'West Bank	22	Land Securities	18	Loraine	56
Dunlop	6½	"do" Warrants	10	MEPC	9	Poseidon	55
Eagle Star	13	P & O Dfd.	11	Peachey	6	Pres. Steyn	275
E.M.I.	17	Plessey	8	Town & City	4½	Rio T.Zinc	20
Gen. Accident	16	R.H.M.	8	Town & Comm.	4	Welkom	55
Gen. Electric	15	Rank Org. "A"	13			West Areas	75
Glaxo	35	Reed Int'l	25	Oils		Western M'ng	18
Grand Met.	7	Rothmans	4	Brit. Petroleum	42		
G.U.S. "A"	17	Slater Walker	5½	Burmah Oil	4		

NEW HIGHS AND LOWS FOR 1975

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1975.

NEW HIGHS (62)

BRITISH FUNDS (1)
Treas. 3½pc '77-80

INTERNATIONAL BANK (1)
[illegible]

CORPORATIONS (2)
[illegible]

BANKS (2)
Bank of Ireland Hong Kong & Shang.

[illegible]

TOBACCOS (1)
Rothman's Intl.

TRUSTS (1)
Charterhouse Group

OILS (2)
Anglo-Ecuadorian Woodside-Burmah

NEW LOWS (3)

CANADIANS (1)
Peoples Dept. Stores

TRUSTS (2)
Atlantic Assets Wts. Malit Secs.

BASE LENDING RATES

AFI International
Allied Irish Banks Ltd.
Anglo-Portuguese Bank
Henry Ansbacher
Banco de Bilbao
Banco de Jerez
Bank of Cyprus
Bank of N.S.W.
Banque du Rhone S.A.
Barclays Bank
Barnett Christie Ltd.
Bremar Holdings Ltd.
Brit. Bank of Mid. East
■ Brown Shipley
Cayzer, Ltd.
Cedar Holdings
■ Charterhouse Japhet
C. E. Coates
Consolidated Credits
Co-operative Bank
Copleys Bank
Corinthian Securities
Credit Lyonnais
C. R. Dawes
Duboff Brothers
Duncan Lawrie
English Transcont.
First London Secs.
■ Antony Gibbs
Goode Durrant Trust
Greyhound Guaranty
Grindlays Bank
■ Guinness Mahon
■ Hambros Bank
Hawtin & Partners
■ Hill Samuel
C. Hoare & Co.
Julian S. Hodge
Industrial Bank of Scot.
Keyser Ullmann
Knowsley & Co. Ltd.
Lloyds Bank
London & European
London Mercantile
Midland Bank
■ Samuel Montagu
■ Morgan Grenfell
National Westminster
Norwich General Trust
Portman Guaranty
P. S. Refson & Co.
Rossminster Accepts.
Schlesinger Limited
E. S. Schwab
Security Trust Co. Ltd.
Shenley Trust
Standard Chartered
Sterling Credit
Thames Guaranty
Trade Development Bk.
Twentieth Century Bk.
United Bank of Kuwait
Whiteaway Laidlaw
Williams & Glyn's
Yorkshire Bank

■ Members of the Accepting Houses Committee.
* 7-day deposits [illegible]
† 7-day deposits [illegible]
§ Demand deposit [illegible]

MONEY MARKET

Interest rates decline

Bank of England Minimum Lending Rate 11½ per cent. (since November 28, 1975)

Short-term fixed period interest rates continued to show an easier trend in the London money market yesterday. The discount houses buying rates for Treasury bills and fine bank bills declined by a further $\frac{1}{32}$ per cent. to $\frac{1}{16}$ per cent., and the three-month sterling certificate yield fell to $11\frac{3}{16}$-$11\frac{1}{16}$ per cent., from $11\frac{1}{4}$-$11\frac{1}{8}$ per cent. previously.

Day-to-day credit remained in good supply and the authorities did not intervene *once more*.

Banks carried forward surplus balances from Tuesday. Government disbursements exceeded revenue payments to the Exchequer and a fall in the note circulation was *also in the market's favour*. On the other hand there was a net market take-up of Treasury bills to finance and the market was also affected by official holdings of maturing local *authority bills* and settlement of small gilt-edged sales.

Discount houses paid 10¼-10½ per cent. for secured call loans at the start, but rates eased to 9¾-10¼ per cent. at the close.

In the inter-bank market overnight loans commanded 10½-10¾ per cent. in early dealings and *remained at 10-10¼* per cent. until the middle of the afternoon when rates increased to 11-11½ per cent., before easing at the close to 10-10¼ per cent.

Rates in the table below are nominal in some cases.

Dec. 3 1975	Sterling Certificates of deposits	Interbank	Local Authority deposit*	Local Auth. negotiable bonds	Finance House deposit	Company deposits	Discount market deposits	Treasury bills ϕ	Bank bills ϕ	Fine trade bills ϕ
Overnight	—	10-11½	—	—	—	10½-13	9½-10⅞	—	—	—
2 days notice	—	—	10⅝-11	—	—	—	—	—	—	—
†7 days or 7 days notice	—	10⅝-10⅞	11-11⅛	—	—	—	—	—	—	—
One month	$11\frac{1}{16}$-$10\frac{7}{8}$	10⅝-11	11-11⅛	11½-11¼	11-12½	—	10⅝-10⅞	—	—	—
Two months	11⅛-11	10⅞-11⅛	—	11½-11¼	11-12½	—	10⅞-10¾	10¾	11-$10\frac{7}{8}$	11⅛
Three months	$11\frac{3}{16}$-$11\frac{1}{16}$	11⅛-11¼	11¼-11⅜	11⅜-11¼	11-12½	—	10⅞-10¾	10¾-10⅝	11	11½
Six months	$11\frac{5}{16}$-$11\frac{3}{16}$	11¼-11⅜	11⅜-11½	11⅜-11⅜	11-12½	—	10⅞	[illegible]	11-10¾	11⅝-11½
Nine months	11⅜-11¼	11⅜-11½	—	11⅝-11½	11½-13	—	—	—	11-10¾	12
One year	11½-11⅜	11⅝-11⅝	12¼-12⅛	11¾-11⅝	11½-13	—	—	—	—	—
Two years	—	12-12¼	12½-12⅞	13¼-12⅞	—	—	—	—	—	—

† Local authority and finance houses seven days' notice, others seven days' fixed. * Long-term local authority mortgage rate nominally three years 12¾ per cent.; four years 13½-13¼ per cent.; five years 14 per cent. ϕ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills [illegible] per cent.; and four-month trade bills [illegible] per cent. Approximate selling rates for one-month Treasury bills [illegible] per cent.; two months [illegible] per cent.; three-month [illegible] per cent. Approximate selling rate for one-month Bank bills [illegible] per cent.; two-month [illegible] per cent.; and three-month [illegible] per cent.; for one-month trade bills 11½ per cent.; two-month [illegible] per cent.; and three-month [illegible] per cent.

Finance House Base Rate (published by the Finance Houses Association) 12 per cent. from December 1. Clearing Bank Deposit Rates for small sums at seven days' notice [illegible] per cent. Clearing Bank Rates for lending 11 per cent. Treasury Bills: Average tender rates of discount [illegible] per cent.

CORAL INDEX
Close 365-370

I.G. INDEX
GOLD 128½-141½

INSURANCE BASE RATES

† Atlantic Assurance
Cannon Assurance
† Address shown under Insurance and Property Bond table.

AUTHORISED UNIT TRUSTS

G. & A. Un. Tst. Mgrs. Ltd. (a) (G)
5, Rayleigh Rd., Brentwood. 0277 227300

G. & A	24.0	25.7	+0.2	5.09

Gartmore Fund Managers♥
2, St. Mary Axe, EC3A 8BP. 01-283 3531

British Trust	33.7	36.2	+0.1	4.31
High Income Tst.	35.9	38.6	+0.1	10.67
(Z)Overseas Tst.	23.4	25.2	-0.4	1.92

Gibbs (Antony) Unit Tst. Mgs. Ltd.
23, Blomfield St., EC2M 7NL. 01-588 4111

(a)A. Gibbs Inc.*	25.6	27.6	.....	11.50
(a)A. Gibbs Gth.††	24.9	26.8	.....	5.60

Dealing day *Tues. ††Wed.

Govett (John).♥
77, London Wall, E.C.2. 01-588 5620

Stockhldr. Nov. 21	105.9	111.5	.....	1.87
Do. Accum. Unit	122.9	129.4	.....	1.87

Next dealing day December 5.

Guardian Royal Ex. Unit Mgrs. Ltd.
Royal Exchange, EC3P 3DN. 01-628 8011

(ag) Guardhill Tst.	67.9	70.3	-0.4	4.65

Henderson Administration ♥
Premier U.T. Admin., Rayleigh Road, Brentwood, Essex 0277 227300

(g) Australian	39.8	41.9	-0.1	2.31
(g)Cap. Accum.	25.6	27.3	+0.1	4.75
(g) European	36.5	39.8	-0.4	3.96
(g) Far East	43.6	45.9	+0.7	2.21
(g)Finan. & ITU	23.3	24.9	-0.3	3.41
(g) High Income	37.1	39.7	+0.4	9.92
(g) Inc. & Assets	22.3	23.7	+0.6	4.94
(g) International	21.6	23.0	-0.2	3.35
(g) Nth. American	33.9	35.7	-0.7	3.78
(g) Oil Nat. Res'es	22.9	24.8	+0.1	4.89
Worldwide Nov 14	64.8	69.3	.....	5.75

11, Austin Friars, EC2N 2ED

Cabot Dec. 1	65.8	70.0	-1.5	4.08
♦*Gross Dec. 1	100.5	105.0	.....	3.82

*For tax exempt funds only

Hill Samuel Unit Tst. Mgrs.♥ (a)
45 Beech St., EC2P 2LX 01-628 8011

(b) British Trust	120.9	129.4	+1.1	4.93
(g) Int'l. Trust	29.7	31.8	-0.2	3.82
(g) Dollar Trust	56.6	60.6	-1.3	2.14
(b) Capital Trust	23.1	24.8	+0.3	5.14
(b)Financial Tst.	80.0	85.6	+0.8	4.01
(b)Income Tst.	21.8	23.4	+0.4	6.31
(b) Security Trust	41.5	44.4	+0.4	5.02
(b)High Yield Tst.	21.4	22.9	+0.2	7.65

Intel.♥ (a) (g)
15, Christopher Street, E.C.2. 01-247 7243

Intel. Inv. Fund	76.4	82.2	+0.3	4.53

Ionian Unit Tst. Mngmnt. Ltd.♥
64, Coleman Street, E.C.2. 01-638 5686

Ionian Foreign*	73.5	79.5	.....	3.28
Ionian Growth**	109.0	117.0	.....	4.05
Ionian Inc. Fd.†	77.0	82.0	.....	11.70

*Next dealing Dec. 11. **Dec 4. †Dec. 29

For Jascot Securities see Arbuthnot Securities

Key Fund Managers Ltd. (a) (g)
25, Milk St., EC2V 8JE. 01-606 7070

Key Capital Fund	49.3	52.9	+0.4	4.67
Key Energy In.Fd.	49.6	52.8	.....	4.82
♦Key Exempt Fd.	75.4	80.3	.....	7.31
Key Income Fund	53.7	57.3	+0.4	7.99
Key P.I.F.	57.3	60.6	+0.5	4.95

Kleinwort Benson Unit Managers♥
20, Fenchurch St., E.C.3. 01-623 8000

K.B. Unit Fd. Inc.	57.2	62.5	.....	4.70
♦K.B. UnitFd.Ac.	65.5	71.5	.....	4.70

L & C Unit Trust Management Ltd.♥
The Stock Exchange, EC2N 1HP. 01-588 2800

L&C Unit Tst.	80.9	83.5	.....	5.24

Lawson Securities Ltd.♥(a)(c)(g)
63 George St., Edinburgh EH2 2JG. 031-226 3911

Scots Resources*	65.3	71.1	-1.3	1.22
(Accum. Units)*	67.3	73.2	.....	1.22
Gilt and Warrant††	26.5	29.9	.....	3.40
High Yield**	37.4	40.9	.....	12.20
(Accum. Units)**	43.1	46.1	.....	12.20
American Fd.‡	19.0	21.8	-0.4	1.60
(Accum. Units)‡	19.1	22.0	-0.3	1.60

Lloyds Bk. Unit Tst. Mngrs. Ltd.♥(a)
Registrar's Dept., The Causeway, Goring-by-Sea, Worthing, Sussex. 01-623 1288

LB First Inc.	38.7	41.6	-0.3	4.66
Do. (Accum.)	48.9	52.5	+0.4	4.60
LB Second Inc.	41.6	44.7	-0.2	3.68
Do. (Accum.)	49.2	52.8	+0.2	3.68
LB Third Inc.	62.4	67.0	+0.6	6.67
Do. (Accum.)	76.0	81.7	+0.7	6.67

Lloyd's Life Unit Tst. Mngrs. Ltd.
72-80, Gatehouse Rd., Aylesbury 0296 5941

Equity Accum.	104.3	109.7	+2.9	5.17

London Wall♥(a)(g)
1, Finsbury Square, E.C.2. 01-606 5811

Capital Priority	53.7	57.5	+0.4	3.78
Financial Pr'rty	12.6	13.5	.....	3.92
Do. (Accum.)	14.2	15.2	+0.1	3.92
High Inc. Priority	41.3	44.1	+0.2	6.28
London Wall Int.	25.0	26.8	-0.1	2.98
Special Sits.	16.3	17.4	-0.1	4.32
Stronghold Units	29.8	31.7	+0.3	4.85

ManuLife Management Ltd.♥
P.O. Box 21, Stevenage. 0438 56101

Growth Units	33.5	35.2	.....	4.35

Mercury Fund Managers Ltd.
30, Gresham St., EC2P 2EB. 01-600 4555

Merc. Gn Dec. 3	107.4	114.4	.....	4.91
Acc. Units Dec. 3	129.8	138.1	.....	4.91
Merc. Int. Dec. 3	63.7	67.8	.....	2.76
Acc. Units Dec. 3	63.7	67.8	.....	2.76

Metrop. Exempt. Fund Mngrs. Ltd.
72-80, Gatehouse Rd., Aylesbury 0296 5941

MEF Dist. Units	140.6	146.4	.....	5.49
MEF Acc. Units	153.5	159.9	.....	5.49

Prices at Nov. 27. Next dealing Dec. 24.

Midland Bank Group Unit Tst. Mngrs. Ltd.
Courtwood House, Silver Street, Head, Sheffield, S1 3RD. Tel: 0742 79842

Commodity & Gen.	42.7	45.9	+0.4	7.17
Do. Accum.	43.2	47.0	+0.4	7.17
Growth	31.5	33.4	-0.1	2.75
Do. Accum.	32.1	34.0	-0.1	2.75
Capital	23.6	25.0	.....	3.22
Do. Accum.	23.6	25.0	.....	3.22
Income	35.1	37.1	+0.4	6.90
Do. Accum.	35.1	37.1	+0.4	6.90
International	43.3	45.8	-0.2	2.17
Do. Accum.	44.3	46.8	-0.2	2.17

Minster Fund Managers Ltd.
Minster Hse., Arthur St., E.C.4. 01-623 1050

Minster Fund	27.4	29.1	.....	5.58
Do. Exempt	64.8	68.8	.....	6.08

Morgan Grenfell Funds♥
23, Gt. Winchester St., EC2P 2AX 01-588 4545

Capital Dec. 3	119.0	129.3	-2.8	1.68
Exempt Fund	80.5	86.0	.....	4.20
Inc. Dec. 3	46.6	50.4	+1.2	7.40
I's Ag'ns Nov. 27	12.28	13.35	.....	2.10

Next sub. day Dec. 24.

M & G Group (x)(c)(z)
Three Quays, Tower Hill, EC3R 6BQ 01-626 4588
See also Stock Exchange Dealings.

M & G General	126.4	135.2	+1.6	5.63
(Accum. Units)	174.1	186.3	+2.2	5.63
M & G Second	113.2	120.0	+0.5	5.32
(Accum. Units)	154.8	166.2	+0.7	5.32
M & G Midland	96.1	101.9	+1.0	7.30
(Accum. Units)	140.0	148.4	+1.4	7.30
M & G Dividend	79.8	84.6	+1.3	8.22
(Accum. Units)	132.0	139.9	+2.2	8.22
M & G Special	83.4	88.4	+0.7	5.13
(Accum. Units)	97.1	102.9	+0.9	5.13
M & G Magnum	164.9	173.1	+1.7	4.49
(Accum. Units)	191.5	201.1	+2.0	4.49
M & G F.I.T.S.	48.7	51.6	+0.1	3.69
(Accum. Units)	54.9	58.2	+0.1	3.69
M&G Compd. Acc.	69.4	73.6	+0.6	3.98
M&G Recov. Acc.	128.9	136.6	+1.9	7.11
M & G Extra Yield	55.4	58.7	+0.4	9.79
(Accum. Units)	63.8	67.6	+0.4	9.79
M & G Japan Acc.	102.9	109.6	+0.4	1.07
M&G Europ. Acc.	47.6	50.7	.....	3.87
M&G Amer. Acc.	31.5	33.4	-0.2	2.26
M&G Aust'sn Acc.	48.0	51.1	+0.3	2.40

INSURANCE, PROPERTY, BONDS

OFFSHORE AND OVERSEAS FUNDS

REGIONAL MARKETS

LEADERS AND LAGGARDS

...ufacturing	+146.84	Discount Houses	+ 89.27
...s (General)	+145.86	Wines and Spirits	+ 86.15
Goods	+144.64	Office Equipment	+ 83.26
(Life)	+143.37	Shipping	+ 76.05
Banks, Issuing Houses	+142.15	Tobacco	+ 75.61
	+141.80	Property	+ 60.55
	+137.84	Tins	+ 51.70
	+137.74	Teas	+ 43.12
...lding	+135.67	Rubbers	+ 31.63
Index	+135.54	Mining Finance	+ 24.95
... (Heavy)	+131.69	Coppers	− 32.16
...ndex	+131.56	Gold Mines F.T.	− 35.39

...rcentage changes based on Tuesday, December 2, 1975 indices.

...nal link to Europe plan

...ssibility of moving goods ...r from Burton-on-Trent, ...straight into the Con... canal system if the River ...re developed is stressed ...outh and Central Derby... ...anch of the Council for ...ection of Rural England ...rt published yesterday. ...g officially to the Derby... ...unty Council to comment on their structure plan the council says the development of barges which can sail into parent ships and then be launched into the "rapidly expanding" Continental canal system means that water transport should now be fully exploited. It was the cheapest possible method of moving goods and its use obviated the use of more land for roads.

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S.E. List Premium 65¾% (based on $2.0232 per £)

Conversion factor 0.6029 (0.6056)

††BANKS AND HIRE PURCHASE

1975 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
22	12	AldermanSec.10p	21	......	♦0.67	♦	4.9	♦
235	135	Alexanders D £1	215	......	g11.66	—	8.3	—
£114	£67	Algemene Fl 100	£99	..	Qh20%	1.8	3.6	15.4
400	190	Allen Harvey £1..	375	..	†13.5	—	5.5	—
142	45	Allied Irish	132	+2	Q25%	—	4.7	—
77	14	Anglo Contnl	42	......	—	—	—	16.9
185	95	Arbuthnot L £1..	175xd	......	†7.61	—	6.7	—
435	170	Aust & N.Z. £1	433	−2	9.7	—	3.5	—
£57	£21¼	BankAmer.$3.125	£34¼	......	Q$1.48	—	0.0	—
40	22½	Bk. Hapoalim I£1	32¾	......	Qn9.4%	—	2.0	—
385	120	Bk. Ireland £1	385	+10	Qh16%	—	4.2	—
£151	£66	Do. 10pc Cv.91/96	£150	......	Q10%	—	†6.8	—
23	16½	Bk. Leumi AI£1	22	......	Q16%	—	5.2	—
230	180	Bk. Leumi (UK) £1	220	......	7.25	—	5.1	—
720	370	Bk. N.S.W. $A2	710	......	Q28c	—	2.2	—
295	104	Bank Scotland £1	293	+3	†8.31	3.5	4.4	10.0
£71¾	£20⅝	Bankers N.Y.$10	£24⅛	−¼	Q$3.00	—	6.0	—
325	112	Barclays £1	303	+5	†8.29	4.2	4.2	8.8
73	19	Bates (Edward)	39	+1	—	—	—	—
76	18	Bowring (C. T.)	72	......	†2.11	2.2	4.5	15.2
235	75	Brown Shipley £1	175xd	......	g7.54	—	6.6	—
265	110	Cater Ryder £1	260	......	14.40	—	8.5	—
13	6	Cedar Hldgs. 10p	13#	......	‡1.4	1.5	‡	—
67	48	Clive Dis'nt 20p	61	......	3.0	—	7.6	—
310	149	Com'l Aus. ($A1)	310	......	Q14%	—	2.6	—
£14⅞	£10⅞	Com. Bk. DM104	£13¼	+⅛	Q17%	—	2.2	—
£25½	£17½	C'hgn. Hbk. Kr100	£25½	......	Q11%	—	3.5	—
19	4	Corinthian 10p	6	......	—	—	—	—
£33½	£10½	Cred. France F75	£33½	......	Q9.7%	—	2.4	—
75	63	Dawes (G. R.)	75	......	5.25	2.9	10.8	5.0
26½	9	Dawnay Day	17	......	0.5	—	4.7	—
70	25	F. C. Finance	27	......	‡1.57	—	‡	—
11	1½	First Nat. 10p	2¼	......	‡1.05	—	‡	—
5	½	Do. Wrrts. 75-83	1	......	—	—	—	—
17½	5½	Fraser Ans. 10p	11½	+½	0.76	—	10.2	—
310	175	Gerrard Natnl.	295	+2	g13.3	—	6.9	—
62	22	Gibbs (A.)	56	+1	1.65	—	4.5	—
199	62	Gillett Bros. £1	195	......	†6.7	—	5.3	—
29	13	Goode D't Mry 5p	20	......	0.79	1.3	6.1	17.9
78	33	Grindlays	39	......	‡1.69	—	‡	—
197	55	Guinness Peat	174	......	7.62	—	6.7	—
218	58	Hambros	195	......	g7.75	—	6.1	—
126	23	Hill Samuel	117	......	†3.87	—	5.1	—
£15½	200	Do. Warrants	£13½	......	—	—	—	—
277	118	Hong Shng $2.50	277	+3	¶20.8	—	2.2	—
85	40	Jessel Toynbee	75	+2	4.0	—	8.2	—
240	78	Joseph (Leo) £1	240xd	+20	†6.42	—	4.1	—
85	32	Keyser Ullmann	43	−1	1.1	—	3.9	—
65	30	King & Shax 20p	58	+4	g3.1	—	8.2	—
126	30	Kleinwort B. L.	110	−2	†3.19	—	4.5	—
265	94	Lloyds £1	243	+5	†6.93	6.0	4.4	5.9
33	18	Manson Fin. 20p	27	......	d3.25	1.3	18.5	6.4
146	39	Mercury Secs.	141	+1	2.76	—	3.0	—
308	122	Midland £1	293	+3	†10.76	2.2	5.6	12.5
£89	£46	Do. 7½% 83-86	£84½xd	+2	Q7½%	15.0	†9.2	—
£81	£57½	Do. 10¼% 93-98	£68¾	−¼	Q10¼%	15.0	d17.0	—
54	14½	Minster Assets	49	+1	†2.95	2.4	9.3	7.4
•310	69	Nat. Bk. Aust. $A1	308xr	−2	†Q13½%	—	3.0	—
72	25	Nat. Com. Grp.	71xd	+1	2.14	♦	4.6	♦
275	88	Nat. West. £1	243	+3	†8.01	3.2	5.1	9.4
420	105	Schroders £1	390	......	8.73	—	3.4	—
282	154	Seccombe M.C. £1	250xd	......	h12.73	—	7.8	—
108	20	Slater Walker	20	−2	†5.61	—	43.2	—
68	25½	Smith St. Aub.	62	+2	†h3.63	—	9.0	—
510	210	Stand'd Chart £1	480	+7	†13.29	3.7	4.3	8.1
55¼	35¼	Trade Dev. $1.50	55¾	......	Q44c	—	0.3	—
•85	51	Tst. Bk. Afr. 50c	58	......	gQ14%	♦	6.7	♦
347	157	Union Disc £1	335	......	†16.08	—	7.4	—
37	11	U.D.T.	15	+2	B—	—	—	—
£15¼	£10⅛	Wells Fargo $5	£12⅛	−⅛	Q96c	—	1.8	—
68	42	Wintrust 20p	60	......	2.92	2.0	7.5	10.5

Hire Purchase, etc.

1975 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
18	4	Brit. Debt Ser. 10p	10	......	—	—	—	—
35	10	Cattle's Hldgs. 10p	23	+1	0.84	3.3	5.6	8.3
£94	£54	Cie B'cre Fr.100	£88	......	†Q12%	—	1.5	—
80	36	Lloyds & Scot. 20p	72	+3	3.01	1.9	6.4	12.3
31	11	Lnd. Scot. Fin. 10p	22	......	1.7	1.9	11.9	6.7
98	33	Prov. Financial	78	......	3.97	2.9	7.8	5.1
28	12	Stile Credit 10p	18½	......	1.59	U1.6	13.3	6.5
46	10	Wagon Finance	28	......	1.5	1.7	8.2	10.8

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER & ROADS

BUILDING INDUSTRY—Continued

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CINEMAS, THEATRES AND TV

DRAPERY AND STORES

DRAPERY AND STORES—Continued

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ENGINEERING—Cont.

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HOTELS—Continued

INDUSTRIALS (Miscel.)

INDUSTRIALS—Continued

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TOBACCOS

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Investment Trusts

TRUSTS—Continued

Trusts, Finance, Land, etc.

OILS

OVERSEAS TRADERS

RUBBERS AND SISALS

TEAS

India and Bangladesh

Sri Lanka

Africa

MINES

CENTRAL RAND

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
£14¼	250	Durban Deep R1	300	+10	‡Q71c	ϕ	‡
£14	520	E. Rand Prp. R1	550	+10	‡Q125c	ϕ	‡
105	24	Rand Leases 2½c	25	.....	—	—	—
£34½	£15¾	Randf'n Est. R2	£17	.....	—	—	—
500	130	West Rand R1	140	+5	‡Q40c	1.3	‡

EASTERN RAND

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
370	165	Bracken 1J	178	+5	‡Q52c	ϕ	[illegible]
23	5	Daggafontein 50c	11	.....	—	—	—
105	33	East Dag. R1	34	+1	‡Q25c	ϕ	‡
140#	5	Grot. Areas 5c	140#	.....	—	—	—
380	110	Grootvlei 30c	120	+5	‡Q32c	1.1	‡
820	385	Kinross R1	415	+10	Q54c	ϕ	[illegible]
90	62	Leslie 70c	63	.....	Q18c	ϕ	[illegible]
550	165	Marievale 70c	185	+5	‡Q84c	1.1	‡
725	175	S. African Ld. 35c	185	+5	‡Q55c	1.2	‡
265	82	Vlakfontein R1	92	+2	‡Q55c	1.3	‡
£13¾	680	Winkelhaak R1	690	−10	Q105	ϕ	[illegible]
120	33	Wit. Nigel 25c	35	+2	—	—	1.4

FAR WEST RAND

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
£11	615	Blyvoor 25	670	+5	Q100c	1.3	8.2
£21½	£12½	Buffels R1	£13¾	.....	Q150c	1.4	7.5

O.F.S.

FINANCE

DIAMOND AND PLATINUM

CENTRAL AFRICAN

AUSTRALIAN

TINS

COPPER

MISCELLANEOUS

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
8½	3	Burma Mine 17½p.	8	.....	m0.5	—	1.7
65	17	Charterhall 5p	33	−1	—	—	—
115	40	Colby Mines $1	60	+1	—	—	—
810	360	Cons. Murch. 10c	760	+10	‡Q110c	2.2	‡
53½	29½	Laurasia	37½	.....	—	—	—
375	200	Northgate C$1	240	.....	tQ25c	2.0	5.8
211	80	R.T.Z.	173	−1	t5.51	4.4	4.8
135	47½	Sabina Inds. C$1	113	.....	—	—	—
81	45	Stanford Mines	50	−3	—	—	—
£12½	874	Tara Explo. $1	£10½	+¼	—	—	—
78	38	Yukon Cons. C$1	70	.....	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price-earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures; they are adjusted to ACT of 35 per cent. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming maintenance of net dividends on current rate of ACT, are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- Δ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- ϕ Figures or report awaited.
- †† Banks and Insurance: reserve allocations may preclude calculation of dividend cover.
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ** Free of Stamp Duty
- ◆ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ◆ Same interim: reduced final and/or reduced earnings indicated.
- § Based on 1973 profits.
- ? Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ÷ Regional price.
- ǁ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment. Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. H Figures based on prospectus or other official estimates for 1974-75. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 22

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FINANCIAL TIMES
Thursday December 4 1975

New industry plan still to be clarified

BY WILLIAM KEEGAN, ECONOMICS CORRESPONDENT

THE GOVERNMENT'S *proposed* new industrial strategy appears to have taken second place at yesterday's meeting of the National Economic Development Council to the more short-term worries of unions and employers concerning the U.K.'s employment and industrial investment prospects.

The TUC called for "the earliest possible reduction in unemployment and warned the *Government that the co-operation* of workpeople in the proposed new industrial strategy (backed *in principle* by the TUC) would be difficult to win while unemployment was rising.

In heated exchanges, the CBI once again affirmed its strong opposition to Government involvement in "planning agreements" at a company level. The employers' organisation also called for an easing of Government price controls.

Ministers confirmed during the meeting that the Government is now discussing a Treasury-backed scheme to finance steel stocks during the current recession. The scheme is believed to include a £100m. loan at attractive interest rates to *the British Steel Corporation* to finance around 1m. tons of steel stocks.

There would be a small City participation in the loan, which would replace the abortive BSC attempt to agree a special stock purchase loan with City institutions.

It also emerged yesterday that the NEDC is pressing for an extension of the present scheme *of financial assistance to major* industrial investment projects started before September, 1976. Sir Ronald McIntosh said afterwards that the assistance could be adapted to give support to "*smaller schemes* in engineering in particular."

These, and schemes to stockpile certain types of machine tools next year, are part of the counter-cyclical approach which has been favoured by NEDC for some time.

But there was little sign after yesterday's meeting of the "*sense of urgency*" regarding the approach to an industrial strategy which Sir Ronald had *called for the previous day*. "We are getting along," he said, "but not at the speed of light."

The only tangible evidence of this strategy so far is the promise in the Government's White Paper to take more systematic account of the needs of industry—even at the expense of the social services.

The strategy was on the agenda yesterday, and is to be discussed again by the Council in January. *Meanwhile, the vagueness of the* whole concept was underlined by both the TUC and the CBI *yesterday*, when they called upon the Government to tell the Council in January: 1—The real objectives; 2—The time-scale; and 3—The main priorities of the Government for the next 12 months.

Surprisingly, there was no discussion at this meeting of both sides of industry and a third of the Cabinet of either Chrysler or the Government's plans for import controls.

Much of the meeting was taken up by a discussion of export strategy and prospects, in which *Mr. Peter Shore, Trade Secretary*, won general support for his case that the Government must be closely involved in the multi-million pound export market projects now being negotiated in the growing markets of OPEC and Eastern Europe.

Editorial comment, Page 18

DOCTORS' LEADERS CALL AT No. 10

Sir Rodney Smith (next to policeman), president of the Royal College of Surgeons, arrives at No. 10, Downing Street, yesterday for talks with Mr. Wilson on the doctors' dispute. Next to him is Mr. Walpole Lewin, chairman of the BMA council, and on the right is Dr. Derek Stevenson, BMA secretary.

Leyland regrading strike may end to-day

By Our Labour Correspondent

A STRIKE by seven internal drivers, which has halted production of *British Leyland's* entire Austin Morris volume car range and made some *7,500 workers idle, may end* to-day.

A peace formula thrashed out at talks yesterday between Transport and General Workers' Union officials and shop stewards and management of the company's Osberton Radiators plant in Oxford will be put to the seven men this morning.

It will also be considered by the 500 workers laid off from the strike-hit plant which makes radiators, petrol tanks and exhaust systems for most BL cars. They have been recalled for this morning because, it is understood, the *regrading formula proposed* involves some change in job content or restructuring.

*Should the plan prove un*acceptable then Leyland's already serious car stocks *situation will deteriorate* still further as lay-offs spread.

Already Allegro and Mini production lines are halted at Longbridge, Birmingham, and Princess and Marina lines at Cowley, Oxford, although half the Princess workforce is being brought in each day on a rota basis to clear some of the 3,000 unfinished Princess cars.

The manufacture of MG Midgets at Abingdon has also been halted because of a lack of components from the strike-hit plant although management was able to resume MGB production yesterday.

The strikers' demand, which is worth an extra £1 a week if met, is one of a series *of regrading claims* being pressed by workers in the company's Oxford factories.

Privileges committee wants Commons ban on Economist editor

BY JOHN BOURNE, LOBBY EDITOR

MR. MARK SCHREIBER — a former special adviser to Mr. Edward Heath and until recently to Mrs. Margaret Thatcher — became the centre of political controversy at Westminster *yesterday*, *after the Commons* Committee of Privileges recommended that he and the editor of the Economist, Mr. Andrew Knight, should be banned from the precincts of the House for six months because of their "contempt" of Parliament.

Mr. Schreiber, 44, had written an article as a journalist employed by the Economist giving the contents of a confidential draft report of the Select Committee on the Wealth Tax.

Source

Under the procedures of the Commons anyone who leaks or *publishes information* about the private discussions of a select committee before its final report *is laid before Parliament* is guilty of a breach of privilege and of contempt.

Mr. Schreiber refused to disclose to the Privileges Committee his source of information and this is regarded by the committee as a further "contempt."

Its report, published yesterday, says: "If it were to be accepted that in cases of contempt journalists could shelter their informants with impunity, not only would journalists be placed above the law but opportunities for abuse of their position by all those who handle *confidential* material in Parliament would be greatly widened."

Mr. Schreiber's actions have been seized delightedly by Labour MPs, who see in them *ammunition for attacks upon the* Opposition.

They have also embarrassed Conservative "shadow" Ministers who are taking the view that Mr. Schreiber—who asked to be suspended from his advisory functions to Mrs. Thatcher while the Privileges Committee considered his case—should not now be re-engaged by her.

They point out that in any event he had been "inherited" by Mrs. Thatcher. Mr. Schreiber had previously been an adviser on policy matters and speeches to *Mr. Edward Heath* when he was Prime Minister and later Opposition leader.

Mr. Schreiber denied to the Committee that he had known at the time that publication of *the draft report* of the Wealth Tax Committee would be a breach of privilege.

Labour and Tory MPs, however, maintained last night that with his experience of the private offices of two leaders of the Opposition, he should have known better.

Mr. Schreiber said in evidence this his article in the Economist had nothing whatever to do with his relationship with Mrs. Thatcher. *It did not come from* a source who would have thought that it was giving him informa*tion in his capacity as an adviser* to her, but only in his capacity as a journalist.

The Privileges Committee says that Mr Knight was reckless in printing the article when he suspected *he was acting in con*tempt of Parliament. Mr. Schreiber's conduct is called "wholly irresponsible."

Mr. Knight had satisfied himself that neither the clerk of the Select Committee on Wealth Tax nor his staff had been concerned with the leak.

In a statemnet last night, Mr. Knight said the committee's report highlighted three aspects of the matter of privilege which he and Mr. Schreiber had recognised as being a continual source of difficulty between Parliament and the Press.

They were: "The unclear definitions and unpredictable *application of parliamentary* privilege as it now stands: the conflict that arises when select *committees are used and encour*aged to promote a public debate over a controversial tax; and the confidentiality of a journalist's sources, which the committee condemns, but which we feel must be maintained."

The committee's report was called profoundly disturbing by Mr. Kenneth Morgan, general secretary of the National Union of Journalists. He said: "There are more than enough restrictions on Press freedom without anyone introducing new ones or dressing up old ones."

Banking hours at Christmas

BANKS in England and Wales will close for Christmas at midday on December 24 and re-open on Monday, December 29. They will also be closed on January 1.

Scottish banks will be closed for business on Christmas Day, December 26, January 1 and 2.

Bonn over-estimates borrowing by DM5bn

BY NICHOLAS COLCHESTER — BONN, Dec. 3.

THE WEST GERMAN Government *has over-estimated its* borrowing requirement for 1975 by about DM5bn. (£1bn.) and is *now in a position to return some* of the funds it has borrowed back to the money market. This is the *surprising* outcome of the latest Budget estimates of the Bonn Finance Ministry, a spokesman confirmed to-day.

The previous official figure for the net borrowing requirement was an unprecedented DM38bn., which brought strong criticism from the Opposition who said it showed fiscal irresponsibility.

In the late summer the accumulating public deficit provoked a stall in the German *bond market and forced the* Government into a politically tricky savings programme. It is *now clear that the Federal bor*rowing reuirement is only DM33bn.

The news has been greeted with satisfaction by Herr Hans Apel, the Finance Minister. To-morrow Parliament again considers his controversial savings programme and he will be *able to deliver the good news*.

It seems that tax income has been higher than expected and Government spending somewhat lower, which suggests that the recent improvement in the *German economy could already* be having a limited fiscal impact.

Moreover, because the Government's financing has run somewhat ahead of its real requirement, the development could *soothe the short-term money* market—not that this is under strain at the moment.

This should, in turn, help to hold down the Deutschemark which is widely expected to rise *next year*.

The development does not, however, have much significance in the long run. The Government still expects to raise another DM38bn. next year, and the unexpected bonus of DM5bn. in 1975 compares with the total public borrowing this year—of Government and State and local authorities—of some DM80bn.

Victory for water rates rebel

BY DONALD MACLEAN

WATER RATEPAYERS whose premises are connected to the public sewers face a possible increase averaging around 21 per cent. for services other than water supply in 1976-77 as the result of a House of Lords decision yesterday that some £60m. gathered by the water authorities in England and Wales in 1974-75 *and this year* is not justified.

The £60m. is an estimate of *charges levied on those whose* premises are not connected to the sewers. The Lords' decision comes as a result of action taken by the South West Water Authority against Mr. Philip Daymond, a Devon ratepayer.

Mr. Daymond, whose house is not connected to the sewers, had challenged a half-year's charge of £4.58.

Some 900,000 ratepayers are thought to be affected by the Lords' decision. The individual impact will vary widely from one area to another, with more rural areas, such as the South-West and East Anglia, more heavily affected than the more built-up areas.

Lord Nugent, chairman of the National Water Council, which came into being with the reorganisation of the water industry last year, said yesterday that there was a "clear obligation" on the water authorities to repay ratepayers without sewage connection the £60m. or so already raised from them on the general services count.

Under the water-charging system, local authorities act as agents of the 10 area water authorities in collecting charges from ratepayers—though the National Water Council is hoping to switch eventually to direct *billing*.

The weight of the general service charge" increases arising *from the Lords' judgment* depends in part on the attitude taken by the Government. The water authorities are anxious that the Government should help meet the repayment bill.

Lord Nugent and other water industry leaders are understood to have arranged provisionally to meet Mr. Anthony Crosland, Secretary for the Environment, on December 15.

"The National Water Council and the water authorities have told the Government what a serious effect this situation, arising from faulty drafting of the Water Act, 1973, could have on future charges," the council said.

"All the Law Lords were very critical of the legislation. The situation is complex and the council, the water authorities and no doubt the Secretaries of State will be urgently studying the implications."

The Lords' decision was taken by a three-to-two majority. The ruling was welcomed by a spokesman for the National Association of Ratepayers Action Group as "a matter of major constitutional importance."

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Burmah North Sea assets

rejected the one offer it has received for its U.S. oil and gas operations—from R. J. Reynolds Industries—as inadequate. The extension of the guarantees will, *the company no doubt hopes*, stimulate any interested parties to make what it considers to *be realistic offers*.

If the sale of its North Sea assets to the Government is also agreed it will add to the company's cash resources and remove a further financing burden.

By the end of this year, Burmah will have spent £70m. of the development of the Thistle and Ninian fields, out of anticipated total cost of around £300m. Thistle is not expected to be productive until 1977 and Ninian in 1978, so the company faces heavy development costs before it sees any return.

*In view of its stretched finan*cial position its ability to finance these operations has been open to question.

From the Government's point of view yesterday's announcement appears to have produced very little tangible benefit apart from the prospect of acquiring *Burmah's North Sea assets* and an easing of Burmah's problems.

In view of the company's 17,000 work force and heavy non-sterling obligations, it may have felt there was little to be gained *by trying to take a tougher line* with the company.

Ray Dafter, Energy Correspondent, *writes: Burmah's North* Sea operation will form a significant part of BNOC's early work.

The Ninian Field, with an estimated 1bn. barrels of recoverable reserves is the third largest in the U.K. sector. Production is due to start in mid-1978.

The Thistle find should start producing a year earlier: its recoverable reserves are 450m. *barrels*.

The BNOC has still to be formed into an operating entity, however, although its Board is expected to be announced shortly.

It is not certain that Burmah will be the first operation placed under BNOC's wing: participa*tion negotiations* have been taking place with a number of other companies and it is quite likely that one of these—perhaps a smaller operation—might first agree to a 51 per cent. state share in its offshore operations.

Shell, like some other major oil companies, is still sceptical about the likely abilities of BNOC, however. Mr. P. B. Baxendell, a director of Shell Transport, said in London yesterday: "The prospect of an inexperienced government corporation attempting to do what dozens of oil companies are now just managing by straining all of their resources, both human and financial, is somewhat awesome to contemplate."

Continued from Page 1

Foot faces Docks Bill fight

including the CBI, *the National* Ports Association, the British Importers Confederation, the *Road Haulage Association* and other food and warehousing interests.

They argue that the new plan will enable one union—the TGWU—to shut down the country's sea-borne trade, will put small ports and wharves depending on part-time or highly flexible workforces out of business, will extend dockers' restrictive and other practices to currently efficient businesses, *and will mean bitter rows be*tween groups of workers.

But the Government has *written various safeguards into* the scheme including a provision for Parliamentary Orders to be *required for each individual* decision that a specific work area within the five-mile zone should be dubbed dockwork.

The National Dock Labour Board, reconstituted with members instead of eight to allow new interests such as railway unions and cold store operators a voice, will be in charge of deciding what is dockwork for the Government.

This inclusion of new interests is *the only* major change in the proposals produced yesterday which also introduced the new *phrase of the "cargo handling* zone" for dockwork areas and re-defined "ships" to allow them *to embrace non-sea going vessels* such as barges.

The only exclusions to the new scheme will be nationalised industries which are not mainly involved in port work.

However, Ministers will stress during the Bill's Parliamentary stages that it is only "enabling legislation" which means that, even when it has received Royal Assent, further inquiries and reports, culminating in the Parliamentary Orders, will have to be processed before any changes are made.

THE LEX COLUMN

Lyons misses its target

J. Lyons' very high gearing *means that profits* projections are a dangerous exercise, and the news that current year profits are *not going to improve* after all left the shares 18p lower yesterday at 132p. Pre-interest profits after *six months* are a shade lower at £11.9m. following the virtual disappearance of property dealing *profits*, about £2m. a year ago. And interest costs have actually increased a little to £9.1m. as a result of the rising cost of servicing around £90m. of foreign currency debt.

The fine summer will have a much bigger impact on ice cream profits in the current half, and interest costs should be a little lower over the year as a whole. But although the overseas companies are per*forming* strongly, and now account for over three-fifths of trading profits, the U.K. is run*ning below target*. Volume on the cake side is down by over an eighth, and the hotels are *not recovering as quickly as* hoped: there will be another loss here this year.

In addition there is going to be a large adverse swing in what Lyons describes as "exceptional items." *Last year*, profits on investment property disposals net of reorganisation costs brought in £2½m. pre-tax: this time there will be a deficit *of a similar order* as a result of heavy spending on a new cake factory in Yorkshire. In*cluding "exceptionals" profits* before tax could drop from £9.2m. to around £8m.

Reorganisation costs should be much lower next year, and the dividend should be covered in the meantime. The debt burden is being contained, and *would have been reduced* a little this year but for the impact of currency changes on foreign liabilities — which Lyons takes below the line. Yet the shares are a quarter below their summer peak, until there is evidence that the balance sheet straitjacket is being loosened, the yield of 9 per cent. may not look out of line.

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Index rose 1.5 to 368.1

Hawker/Onan

Hawker Siddeley's original plans for investing in the Onan Corporation foundered on the proposed *50:50 share of control* with *Studebaker-Worthington*. So it has now settled on a holding which will range somewhere between 26 and 37 per cent., depending on the result of an offer for the public shareholding. Hawker is not now in a position to gain ultimate control, but there are safeguards *to protect its minority status*.

The price per share is unchanged at $32.50, which gives a p/e of just under 10 on annualised earnings so far in 1975, and the deal will be fully financed by the proceeds of the de Havilland Canada disposal. *Initially, it will improve* Hawker's net earnings by a little over 2p per share, but of *course the main pay-off will* come as Onan starts to take up its licence agreements on *Hawker's diesel technology*. These seem to be pretty much in line with the original proposals.

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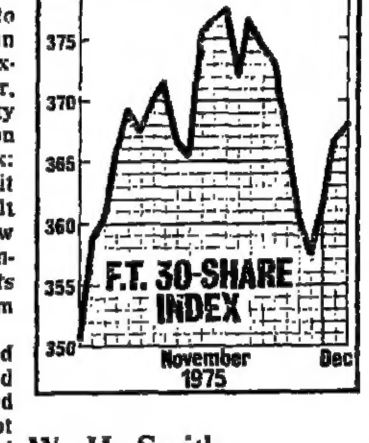

W. H. Smith

Pre-Christmas trading may not be nearly as strong as many retailers were hoping only a few weeks ago to judge by W. H. Smith's cautious comment *yesterday on prospects. Coupled* with disappointing eight month results, this was sufficient to *leave the shares 22p lower last* night at 346p—18 per cent. below the 1975 high. The pre-tax advance of £371,000 to £2.68m. comes after a special pension fund transfer of £477,000 (with a further £238,000 to come at the year-end) and associate losses of £262,000, mainly arising on start-up costs in the Netherlands. But even after *adding back these items the* group is still some way short of the £4m. of the first eight month period two years ago.

With gross margins ... up, the problem has been volume. On the retailing ... for example, a 32 per cent. ... advance after three months clipped to a gain of 21 per ... by the end of the period ... volume lower across the ... And although wholesaling ... over has risen by 30 per ... this is below cover price increases; newspaper circulation down 2.5 per cent. and ... and periodicals are over 10 ... cent. lower.

The group is now saying ... pre-Christmas sales do not ... sufficiently strong to main... the profit increase so far, ... *the full-year total is expected* ... be only "marginally more" ... last year's £9.1m. So the ... *seems likely to have made* ... ally no progress at the ... level over the last three years *and hence a prospective p/e* between 13½ and 14 still ... vulnerable.

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Burmah Oil

Two near term problems ... been looming up for Burmah Oil. *First, there has been* approaching expiry of the ... lar borrowing guarantees, *although there has been* doubt for some months that extension would be granted ... formal statement had to ... made some time before December 31. Secondly, there has ... the slightly less pressing ... that the £179m. cash ... last January from the ... BP share sale would ... Thus Burmah is still spending £50m. a *year on progress* ... ments on its LNG tanker ... (though refinancing talks ... *under way*) *and running* ... on tankers have been ... £35m at an annual rate. ... the North Sea, spending ... now reached about £70m., future commitments are ... over £200m.

Without a blush, the Government is now saying that takeover of Burmah's North ... assets will be "at a fair ... *to be negotiated on an* ... length basis." At least ... represents progress com... with last January's tactics ... the Government is not a ... poly buyer in this case. ... is likely that Burmah will ... ceive much less than the ... sent value of its future North Sea earnings, which ... Mackenzie have estimated ... £130m.: *the brokers* ... that the proceeds of a ... could be less than half ... figure.

Weather

U.K. TO-DAY

SOUTHERN *areas will be mainly* dry with sunny intervals while northern districts will be cloudy with rain.

London, Southern England, E. Anglia, The Midlands, Channel Isles, S.W. England, S. Wales

Mainly dry with some sunny intervals. Max. 8C (46F).

N. England, N.E. England, Borders, Edinburgh, Dundee and Aberdeen

Cloudy with rain in places, becoming brighter. N.W. wind, moderate or fresh. Max. 8C (46F).

N. Wales, Lakes, Isle of Man, S.W. Scotland, Highlands, Argyll, N. Ireland

Rather cloudy with occasional rain or drizzle and bright intervals. Wind N.W., fresh or strong. Max. 8C (46F).

Lighting-up: London 16.23, Manchester 16.23, Glasgow 16.18, *Belfast* 16.32.

BUSINESS CENTRES

	Y'day Mid-day	°C	°F		Y'day Mid-day	°C	°F
Amstrdm.	S	6	46	Luxembrg.	S	5	41
Athens	R	16	61	Madrid	C	8	46
Bahrain	S	22	72	Manchstr.	F	5	41
Barcelona	C	11	52	Melbourne	R	27	81
Beirut	F	19	66	Mexico C.	S	19	66
Belfast	R	5	41	Milan	C	7	45
Belgrade	S	5	40	Montreal	C	−4	25
Berlin	C	8	46	Moscow	C	−2	28
Birmghm.	S	5	41	Munich	F	5	41
Bristol	S	6	43	Newcastle	F	5	41
Brussels	S	8	46	New York	C	[illegible]	[illegible]
Budapest	F	5	41	Oslo	C	[illegible]	[illegible]
B. Aires	S	25	77	Paris	C	[illegible]	46
Cairo	S	22	72	Prague	C	[illegible]	37
Cardiff	F	6	43	Reykjavik	C	5	41
Cologne	F	7	45	Rome	S	17	63
Copnhagn.	C	6	43	Singapore	S	27	81
Dublin	C	6	43	Stockholm	C	6	43
Edinb'rgh	C	5	41	Strasbourg	R	7	45
Frankfurt	C	7	45	Sydney	F	21	70
Geneva	R	5	41	Tehran	Sn	3	37
Glasgow	C	5	41	Tel Aviv	S	20	68
Helsinki	R	3	37	Tokyo	S	11	52
H. Kong	S	21	70	Toronto	S	−3	27
Jo'burg	S	22	72	Vienna	R	3	37
Lisbon	S	11	52	Warsaw	C	4	39
London	S	6	43	Zurich	F	7	45

HOLIDAY RESORTS

Ajaccio	F	16	61	Jersey	C	7	45
Algiers	S	18	64	Las Plms.	F	18	64
Biarritz	C	8	46	Locarno	C	7	45
Blackpool	F	7	45	Majorca	F	17	63
Bordeaux	C	8	46	Malaga	C	12	54
Boulogne	C	5	41	Malta	F	16	61
Casablnca.	R	13	55	Nairobi	C	20	68
Cape Tn.	S	22	72	Naples	S	17	63
Corfu	S	18	64	Nassau	S	[illegible]	[illegible]
Dubrovnik	F	15	59	Nice	R	[illegible]	[illegible]
Faro	C	15	59	Nicosia	C	19	66
Florence	S	10	50	Oporto	S	11	52
Funchal	C	14	57	Salzburg	C	[illegible]	[illegible]
Gibraltar	C	12	54	Tangier	S	11	52
Guernsey	F	6	43	Tenerife	F	14	57
Innsbruck	F	4	39	Tunis	S	15	59
Inverness	C	6	43	Valencia	R	11	52
I. of Man	C	7	45	Venice	S	[illegible]	[illegible]
Istanbul	F	12	54				

S—Sunny. F—Fair. C—Cloudy. R—Rain. Sn—Snow.

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